

A REPORTER AT LARGE

CHINA'S AGE OF MALAISE

Party officials are vanishing, young workers are “lying flat,” and entrepreneurs are fleeing the country. What does China’s inner turmoil mean for the world?

By Evan Osnos

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Few citizens believe that China will reach the heights they once expected. "The word I use is 'grieving,'" one entrepreneur said. Illustration by Xinmei Liu

... **W**enty-five years ago, China's writer of the moment was a man named Wang Xiaobo. Wang had endured the Cultural Revolution, but unlike most of his peers, who turned the experience into earnest tales of trauma, he was an ironist, in the vein of Kurt Vonnegut, with a piercing eye for the intrusion of politics into private life. In his novella "Golden Age," two young lovers confess to the bourgeois crime of extramarital sex—"We committed epic friendship in the mountain, breathing wet steamy breath." They are summoned to account for their failure of revolutionary propriety, but the local apparatchiks prove to be less interested in Marx than in the prurient details of their "epic friendship."

Wang's fiction and essays celebrated personal dignity over conformity, and embraced foreign ideas—from Twain, Calvino, Russell—as a complement to the Chinese perspective. In "The Pleasure of Thinking," the title essay in a collection newly released in English, he recalls his time on a commune where the only sanctioned reading was Mao's Little Red Book. To him, that stricture implied an unbearable lie: "if the ultimate truth has already been discovered, then the only thing left for humanity to do would be to judge everything based on this truth." Long after his death, of a heart attack, at the age of forty-four, Wang's views still circulate among fans like a secret handshake. His widow, the sociologist Li Yinhe, once told me, "I know a lesbian couple who met for the first time when they went to pay their respects at his grave site." She added, "There are plenty of people with minds like this."

How did Wang become a literary icon in a country famed for its constraint? It helped that he was adroit at crafting narratives just oblique enough to elude the censors. But the political context was also crucial. After the crackdown at Tiananmen Square, in 1989, the Communist Party had risked falling into oblivion, behind its comrades in Moscow. It survived by offering the Chinese people a grand but pragmatic bargain: personal space in return for political loyalty. The Party leader Deng Xiaoping broke with the orthodoxy of the Mao era; he called for “courageous experiments” to insure that China would not be like “a woman with bound feet.” Soon, new N.G.O.s were lobbying for the rights of women and ethnic minorities, and foreign investors were funding startups, including Alibaba and Tencent, that grew into some of the wealthiest companies on earth. Young people were trying on new identities; I met a Chinese band that played only American rock, though their repertoire was so limited that they sang “Hotel California” twice a night. Above all, the Party sought to project confidence: Deng’s successor, Jiang Zemin, visited the New York Stock Exchange, in 1997, rang the opening bell, and boomed, in English, “I wish you good trading!”

For two decades after Deng made his deal with the people, the Party largely held to it. The private sector generated fortunes; intellectuals aired dissent on campuses and social media; the middle class travelled and indulged. When I lived in Beijing from 2005 to 2013, the social calendar was punctuated by openings: concert halls, laboratories, architectural marvels. At a celebration for a new art museum, an international crowd peered up at a troupe of Spanish avant-garde performers dangling from a construction crane, writhing like flies in a web—just another evening in what a writer at the scene called “the unstoppable ascension of Chinese art.”

When I return to China these days, the feeling of ineluctable ascent has waned. The streets of Beijing still show progress; armadas of electric cars glide by like props in a sci-fi film, and the smoke that used to impose a perpetual twilight is gone. But, in the alleys, most of the improvised cafés and galleries that used to enliven the city have been cleared away, in the

name of order; overhead, the race to build new skyscrapers, which attracted designers from around the world, has stalled. This summer, I had a drink with an intellectual I've known for years. He recalled a time when he took inspiration from the dissidents of the Eastern Bloc: "Fifteen years ago, we were talking about Havel." These days, he told me with a wince, "people don't want to say anything." By the time we stood to leave, he had drained four Martinis.

The embodiment of this reversal is Xi Jinping, the General Secretary and President, who has come to be known among the Party rank and file by a succinct honorific: the Core. In the years before Xi rose to power, in 2012, some Party thinkers had pushed for political liberalization, but the leaders, who feared infighting and popular rebellion, chose stricter autocracy instead. Xi has proved stunningly harsh; though at first he urged young people to "dare to dream," and gestured toward market-oriented reforms, he has abandoned Deng's "courageous experiments" and ushered his country into a straitened new age. To spend time in China at the end of Xi's first decade is to witness a nation slipping from motion to stagnation and, for the first time in a generation, questioning whether a Communist superpower can escape the contradictions that doomed the Soviet Union.

At the age of seventy, Xi has removed term limits on his rule and eliminated even loyal opponents. He travels less than he used to, and reveals little of the emotion behind his thinking; there is no public ranting or tin-pot swagger. He moves so deliberately that he resembles a person underwater. Before the pandemic, China's official news often showed him amid crowds of supporters applauding in stilted adoration. The clips circulate abroad with the mocking caption "West North Korea," but at home censors vigilantly guard Xi's honor; a leak from a Chinese social-media site last year revealed that it blocks no fewer than five hundred and sixty-four nicknames for him, including Caesar, the Last Emperor, and twenty-one variations of Winnie-the-Pooh.

Unlike Deng and Jiang, Xi has never lived abroad, and he has become openly disparaging about the future of the U.S. and its democratic allies, declaring that “the East is rising and the West is declining.” He does not mask displeasure at the occasional run-in with a free press; on the sidelines of a G-20 summit last year, he complained to the Canadian Prime Minister, Justin Trudeau, “Everything we’ve discussed has been leaked to the papers, and that’s not appropriate.” In the exchange, captured by a Canadian television crew, Xi flashed a tense smile and demanded “mutual respect,” adding, “Otherwise, there might be unpredictable consequences.”

Year by year, Xi appears more at home in the world of the man he calls his “best and closest friend,” Vladimir Putin. In March, after the International Criminal Court issued an arrest warrant for the Russian President on war-crimes charges, Putin hosted Xi in Moscow, where they described relations as the best they have ever been. Clasp hands for a farewell in the doorway of the Kremlin, Xi told Putin, “Right now there are changes—the likes of which we haven’t seen for a hundred years—and we are the ones driving these changes together.” Putin responded, “I agree.”

In China, as in much of the world, you can tell a lot about a place by its bookstores. For years, readers in Shanghai, the nation’s most cosmopolitan city, had Jifeng—“Monsoon”—which opened in 1997, just as Wang Xiaobo was breaking through. It was the city’s undisputed liberal outpost, where even the most esoteric speakers drew a crowd. But in 2017 the public library, which owned the building, cancelled the lease, citing “increased regulations” on state-owned property. The owner, Yu Miao, scouted new sites, but, every time, the landlord got a call and Yu was turned away. He ultimately realized that “Jifeng can’t get a foothold.” Even the farewell party, to sell off the last books, was plunged into darkness by sudden “equipment maintenance.” Buyers kept shopping in darkness, using cell phones as flashlights. Today, nobody would dare try to open a store like that.

Measuring a nation's mood can be difficult—especially in China, which doesn't allow independent polling—but there are indicators. In America, when the nineteen-seventies brought inflation, gas lines, and turmoil in the Middle East, the public mood could be read on the roadways; the car industry still calls the sluggish, boxy aesthetic of those days the Malaise Era. Ask Chinese citizens about their mood nowadays and some of the words you hear most are *mimang* and *jusang*—“bewildered” and “frustrated.”

As in America, China's changing temper partly reflects economic concerns. After Party leaders embarked on market reforms, in 1978, the Chinese economy more than doubled in size every decade. Infrastructure was built at such a pace that China used more cement in a three-year span than the U.S. had used in the entire twentieth century; Guizhou, one of the poorest provinces, has eleven airports, to serve an area the size of Missouri. But that boom is over now. China has all the airports—and railways and factories and skyscrapers—that it can justify. The economy grew three per cent last year, far short of the government's target. Exports have dropped, and debt has soared. Economists who once charted China's rise are now flatly pessimistic. Dan Rosen, of the Rhodium Group, a research firm in New York, told me, “It is not just a blip. This is a permanent new normal.”

As a matter of scale, China is as formidable as ever: it is the largest trading partner for more than a hundred and twenty countries, it is home to at least eighty per cent of the supply chain for solar panels, and it is the world's largest maker of electric vehicles. But the downturn has shaken citizens who have never experienced anything but improvements in their standard of living. People who shunted their life savings into contracts for new apartments are contending with unfinished concrete blocks in overgrown lots, because the developers ran out of money. Civil treasuries are similarly depleted, by the shutdowns required by China's “zero-COVID” policy; there are reports of teachers and civil servants going unpaid.

China's present troubles are about far more than the economy. Four decades

after Deng and his peers put their country on a path of “reform and opening up,” his successors have reversed course, in politics and in culture. For ordinary Chinese citizens, that reversal is as jarring as it would have been for American homesteaders if the U.S. had retreated from the frontier. Joerg Wuttke, the president emeritus of the European Union Chamber of Commerce in China, who has lived there for more than thirty years, told me, “China always had comeback stories. But not now.” He recalled addressing a roomful of students at Peking University: “I said, ‘Who among you is optimistic?’ It was one-third—which means two-thirds are pessimistic at the best university in China. There’s this feeling of ‘What are we here for?’ ”

Over the summer, in visits to China and to émigré communities abroad, I interviewed several dozen people about their work and private lives, their sense of the direction in business, art, and politics. I was surprised how often they spoke about Xi without uttering his name—a single finger flicked upward can suffice—because the subject is at once ubiquitous and unsafe. (To a degree I’ve rarely encountered, many asked to have their identities disguised.) Most of all, I was struck by how many people have come to doubt that China will achieve the heights they once expected. “The word I use to describe China now is ‘grieving,’ ” an entrepreneur told me. “We’re grieving for what was an exceptional time.”

The Party has taken steps to obscure problems from foreign inspection: overseas access to corporate data and academic journals has been restricted, scholars are warned not to discuss deflation, and, in stock-market listings, lawyers have been told to cut routine suggestions that laws could change “without notice.” (Instead, they are to use the phrase “from time to time.”) Officially, China is encouraging foreign companies and scholars to return, but an expanded “anti-espionage” law puts a vast range of information off limits, including “documents, data, materials, or items related to national security and interests.” Authorities have raided consultancies with long histories in China, including Bain & Company and Mintz Group, a due-diligence firm that said five of its Chinese employees had been detained.

The space for pop culture, high culture, and spontaneous interaction has narrowed to a pinhole. Chinese social media, which once was a chaotic hive, has been tamed, as powerful voices are silenced and discussions closed. Pop concerts and other performances have been cancelled for reasons described only as “force majeure.” Even standup comics are forced to submit videos of jokes for advance approval. This spring, a comedian was investigated for improvising a riff on a Chinese military slogan (“Fight well, win the battle”) in a joke about his dogs going crazy over a squirrel. His representatives were fined two million dollars and barred from hosting events.

Into the cultural void, the Party has injected a torrent of publishing under Xi’s name—eleven new books in the first five months of this year, far more than any predecessor ever purported to write—collecting his comments on every topic from economics and history to the lives of women. Geremie Barmé, a prominent historian and translator, calls it “Xi Jinping’s Empire of Tedium.” “Here is one of the great cultures of succinct telegraphic communication, and it has ended up with this tsunami of logorrhea,” Barmé said. The system is fumbling in search of an answer to the big question: Can Xi’s China still manage the pairing of autocracy and capitalism? “What do you do with an economy that can’t deal with unemployment created by mismanagement?” Barmé asked. “What do you do with people who feel their lives are aimless?” He said, “They don’t have a system that can cope with the forces they’ve unleashed.”

Late one Saturday night in Beijing, I met friends at a hole-in-the-wall called Xiao Kuai’r—“A Small Piece”—to hear a lineup of local bands. During the day, the bar doubled as a recording studio, turning out retro-chic plastic cassettes. After dark, twentysomethings crowded in to see groups with names like Black Brick and Ionosphere.

Despite the enthusiastic audience, there was a fin-de-siècle vibe in the air: the couple who ran the bar were giving it up at the end of the month. They

had hoped to promote “independent culture,” they wrote in a farewell note, but had struggled to manage the “shifting line of what’s permissible and what isn’t.” Xiao Kuai’r was joining a list of Beijing haunts—Temple, Cellar Door, 8-Bit—that have disappeared in recent memory.

Disappearances, of one kind or another, have become the backbeat of Chinese public life under Xi Jinping. The head of China’s missile force, Li Yuchao, was secretly detained sometime during the summer. His political commissar vanished, too. Under the unwritten rules of these kinds of disappearances, an official report will eventually disclose what the two men did and what happened to them, but in the meantime there was little more than a rumor that they were being investigated for corruption or, perhaps, leaking state secrets.

The missing generals marked an unusually busy summer of purges. China’s foreign minister, Qin Gang—last seen shaking hands with a Vietnamese official at a meeting in Beijing—vanished at around the same time. His disappearance attracted attention; among other tasks, he had been involved in delicate dealings with the United States over Taiwan and over access for businesspeople and students. A spokesperson initially said that Qin was gone for “health reasons,” but the ministry cut that statement from the official transcript and took to saying that it had “no information” on him. In Washington, where he had previously served as Ambassador, I used to meet him occasionally; he was a smoothly pugnacious presence, who liked to boast of how many American states he’d visited. (Twenty-two, at the highest count.) The last time I saw him, he was about to visit St. Louis, where he would throw out the first pitch at a Cardinals game, and was nervously preparing by studying videos on YouTube.

In Mao’s day, a purge within the Party required skilled technicians to excise a comrade from photos. In the digital age, it is easier; entries on Qin vanished from the foreign ministry’s Web site overnight. But the references to the minister were restored when the change attracted attention abroad, and

during my visits this summer everybody was still talking about him. Some theories were grim. “Word is he got the bullet,” a man in Shanghai said, over coffee. Others were outlandish: one businessman picked up my audio recorder, held it behind his back, and leaned in to whisper, “I heard he slept with Xi Jinping’s daughter.” But most people offered versions of the same story: Qin, who is married, had an affair that produced a child born in America, exposing him to blackmail by foreign intelligence services. (The mother of the child was thought to be Fu Xiaotian, a television reporter, who has also dropped out of sight.)

Since 2012, when Xi launched an “anti-corruption” campaign that grew into a vast machine of arrest and detention, China has “investigated and punished 4.089 million people,” according to an official report from 2021. Some of the disappeared eventually go on trial in courts that have a ninety-nine-per-cent conviction rate; others are held indefinitely under murky rules known as “double restrictions.” The disappeared hail from every corner of life: Dong Yuyu, a newspaper columnist, was arrested last year while having lunch with a Japanese diplomat, and subsequently charged with espionage; Bao Fan, one of China’s best-known bankers, vanished in February, though his company later reported that he was “coöperating in an investigation carried out by certain authorities.” In September, Rahile Dawut, a prominent Uyghur ethnographer who had been missing for almost five years, was found, by a human-rights group, to be serving a life sentence on charges of endangering national security.

In addition to the disappearances, the deepening reach of politics is felt throughout daily life. Early this year, the Party launched a campaign to educate citizens on what Party literature habitually refers to as “Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.” All manner of institutions—laboratories, asset-management firms, banks, think tanks—are expected to make time for regular lectures, followed by the writing of essays and the taking of tests. Some business executives report spending a third of the workday on “thought work,” including reading an

average of four books a month. A microchip engineer at a university lab told a friend, “Going to meetings every day literally eats away at the time for scientific discoveries.”

The over-all effect is a revival of what the late Sinologist Simon Leys called the “lugubrious merry-go-round” of Communist ritual, and a culture of deliberate obfuscation that he likened to deciphering “inscriptions written in invisible ink on blank pages.” The return of disappearances and thought work on this scale has made clear that, for all of China’s modernizations, Xi is no longer pantomiming the rule of law; he has returned China to the rule of man. At his core, a longtime observer told me, Xi is “Mao with money.”

At the bar in Beijing, I stepped outside for some air with a man named Steven, who had graduated from a top Chinese university. He wore a Hawaiian shirt and Nikes. After a few minutes, he told me that he was plotting to ditch his lucrative job—editing energy reports—in order to travel. “A lot of the interesting people are leaving,” he said. “My friends have left.” A little while later, at the bar’s entrance, a guy carrying a guitar case barked into his phone, “I just quit my job! I’m done.” He hung up, lit a cigarette, and told a friend, “I’ll figure out something to do.”

The sense that China’s march through time has stalled is especially acute among the young, who are contending with stagnant wages and a culture of enervating limits. For a generation raised on the mythology of social mobility, the loss of optimism aches like a phantom limb.

In 2021, a thirty-one-year-old former factory worker named Luo Huazhong posted a photo of himself in bed, with the caption “Lying flat is my sophistic act,” he said, professing solidarity with the philosopher Diogenes, who is said to have protested the excesses of Athenian aristocrats by living in a barrel. The post spread, and “lie flattists” formed online groups to commiserate. The censors closed the discussions, but the phrase has lingered, especially among urbanites, some of whom liken themselves to the Beat generation,

which originally took the name to mean “weary” in the face of materialism and conformity.

In July, the National Bureau of Statistics revealed that youth unemployment had hit a record high of twenty-one per cent, nearly twice the rate four years earlier. Then the bureau stopped releasing the numbers. Zhang Dandan, an economics professor at Peking University, published an article arguing that the true rate might be as high as forty-six per cent, because she estimated that up to sixteen million young people have temporarily stopped looking for jobs in order to lie flat.

Young people raised under the one-child policy want smaller families, because they fear the cost of supporting kids alongside retired parents. As a result, by mid-century, China’s working-age population is expected to decline by nearly twenty-five per cent from its peak in 2011. The prospect of constrained growth has returned the bedroom to the focus of political attention—not to police extramarital sex anymore, but to urge procreation in the name of patriotism. Local officials have taken to calling newlyweds to inquire and encourage, and a county in Zhejiang Province has offered cash incentives to couples with brides under the age of twenty-five, to promote “age-appropriate marriage and childbirth.”

In Xi’s China—like Putin’s Russia and Viktor Orbán’s Hungary—a war on democratic influence has brought about a resurgence of gender inequality; in 2021, the Party committed itself to “traditional virtues of the Chinese nation” and the “social value of childbearing.” Signs of regression are stark: for the first time in decades, the Politburo is composed entirely of men. Feminist activists are often prosecuted.

For many Chinese women, political pressure on their personal decisions has fed broad disaffection. China’s birth rate has plunged by more than half since 2016—even after the government changed the rules to let people have up to three children. This kind of drop has rarely been recorded in a nation that is

not at war or in the throes of upheaval. The last time China reported a population decline of any kind was 1961, when it was reeling from the famine that followed Mao's Great Leap Forward. Nicholas Eberstadt, a political economist who studies population trends at the American Enterprise Institute, has described the birth crisis as "internalized civil disobedience."

"For me, it's a hard no," a twenty-four-year-old named Sybil said over dinner, when I asked if she plans to marry. She had recently visited a cousin's house, and watched as his parents tyrannized his wife. "If you don't do what they expect as a wife or a mother, they'll kick you out," she said. "So why carve out the prime of your life?" For a long time, Sybil said, she had a recurring nightmare that she was pregnant. "I would wake in the middle of the night, and I couldn't get back to sleep," she said. "If I have kids, I wouldn't live up to my potential. I think a family can't have two people's dreams."

Sybil's distaste for marriage is inseparable from China's fierce competition for college and employment. She is in a master's program in linguistics, and has a flexible attitude. "If you give me a job, you can send me to Mars," she said. But the best position she could find for now was an internship at a P.R. firm—and she figures that, if she leaves to have a kid, she'll never catch up. "We're running like hamsters on a wheel," she said.

Historically, young people have been a volatile presence in Chinese politics. In 1989, students protesting corruption and autocracy led the occupation of Tiananmen Square. In the present moment, their distress takes other forms. For years, young graduates have streamed into China's big cities in pursuit of wealth and stimulation, but, in August, state media reported that almost half of new graduates were returning to their home towns within six months, unable to afford the cost of living. Among those who stay, some are answering advertisements for "bedmates"—sharing a bed with a stranger—or living rent-free in nursing homes, in return for spending ten hours a month

entertaining the residents.

A decade after Xi told young people to “dare to dream,” he now admonishes them to curtail their expectations; in recent speeches, he has said that disgruntled youth should “abandon arrogance and pampering” and “eat bitterness”—basically, Mandarin for “suck it up.” The exhortations land poorly. Young people mock the implication that they are little more than a *renkuang*—a “human mine”—for the nation’s exploitation. As a subtle protest during college-commencement season, graduates took to posting pictures of themselves sprawled face down, or draped over railings, in a manner they named “zombie style.”

Spend some time on the edges of China’s business world these days and you’ll pick up new rules of thumb. If you have to speak publicly, stick to the Party patois; when the first large cruise ship built in China was launched, last year, the company’s C.E.O. pledged devotion to “a new concept of cruise culture and tourism with Chinese cultural identity as the core.” If you are abroad, be wary of urgent requests to come home. “Several people I know have been called back to China for a deal. It was a setup by the government, just to nab them,” a financier told me. In custody, there are clues to help gauge the gravity of the interrogation. “If they give you your phone at night, everything is going to be O.K.—they just want to talk to you,” he said. “You can WeChat your wife or your mistress.” But, if investigators keep your phone from you, the odds are you are a target, not a source.

It is difficult to overstate how much Xi has shaken China’s private sector. Decades ago, as Deng began opening up the country, he said, “Let some people get rich first and gradually all the people should get rich together.” For years, each successive wave of aspirants watched the entrepreneurs before them and then “dove into the sea” themselves. In 2014, Alibaba went public on the New York Stock Exchange and raised twenty-five billion dollars, the largest I.P.O. in history at the time. New enterprises proliferated; by 2018,

China had attracted sixty-three billion dollars in venture-capital deals, up nearly fifteenfold in five years.

When Xi first became President, he revealed little of his view of the private sector. “Nobody was sure what we were getting,” Desmond Shum, a real-estate developer based in Beijing at the time, recalled. But businessmen figured that the private sector was too important to mess with. A Chinese saying held that entrepreneurs produced sixty per cent of the nation’s G.D.P., seventy per cent of the innovation, eighty per cent of the urban employment, and ninety per cent of new jobs.

By 2015, Shum said, “you started seeing things going a different route.” That December, Guo Guangchang, the industrialist known as China’s Warren Buffett, was held for several days; later, his company sold a series of major assets. In 2017, Xiao Jianhua, a billionaire with ties to politicians, was taken from his apartment at the Four Seasons in Hong Kong, in a wheelchair, with a sheet over his head. (His disappearance went unexplained until last August, when authorities announced that he had been imprisoned for embezzlement and bribery.)

But it was only in 2020 that the risks became truly evident. Jack Ma—the founder of Alibaba, China’s richest man, and a role model to younger entrepreneurs—criticized the Party’s handling of financial reform, and then disappeared for months. Regulators postponed the I.P.O. for Ant Group, another of Ma’s companies, and fined Alibaba a record \$2.8 billion for antitrust violations. Similar disappearances and penalties swept through one industry after another: education, real estate, health care. The Party explained that it was targeting inequality, monopoly, and excessive financial risks, but some of the arrests seemed personal. Ren Zhiqiang, a real-estate tycoon, received an unusually harsh sentence of eighteen years on corruption charges, after someone leaked an essay in which he mocked Xi as a “clown stripped naked who still insisted on being emperor.”

None of the targets showed any organized political intentions. The only visible pattern is that Xi and his loyalists appeared intent on snuffing out rival sources of authority. One after another, he got rid of anyone with power, the entrepreneur said: “If you have influence, you have power. If you have capital, you have power.” Xi is said to have spoken bitterly of watching Boris Yeltsin contend with Russian tycoons in the nineteen-nineties. Joerg Wuttke told me, “When Putin entered the Kremlin in 2000, he assembled the oligarchs and said, basically, You can keep your money, but if you go into politics you’re done.” He went on, “In China, the big names should have learned from that meeting, because in this sense Putin and Xi Jinping are soul mates.”

For years, economists have urged the government to stop relying on real-estate investment and bloated state-run companies, and to increase health and retirement benefits so that ordinary households consume more, spurring the private sector. But Xi, a Marxist-Leninist at his core, said last fall that state-owned enterprises would “get stronger, do better, and grow bigger.” Foreign investors are alarmed. In the second quarter of 2023, according to JPMorgan, direct investment from overseas fell to its lowest level in twenty-six years. Local governments, short of cash, have adopted a subtle extortion method that lawyers call “taxation by investigation.” A factory owner in Shanghai told me that Party officials used bank records to identify residents with liquid assets of at least thirty million yuan—about four million dollars—and then offered them a choice: hand over twenty per cent or “risk a full tax audit.”

Recently, the Party has signalled that the purge of the private sector is over, but many have grown wary. A former telecom executive cited an ancient expression—“*shi, nong, gong, shang*”—which describes a hierarchy of social classes: scholar-officials, farmers, craftsmen, and merchants. “For two thousand years, the merchants were the lowest,” he said. “What Xi is doing is just a reversion to the imperial Chinese mean.” The big winners, in the current era, are officials with deep personal ties to Xi; he has stocked the Politburo with trusted aides, and has cultivated the military by boosting

investment and replacing top leaders with loyalists. The People's Liberation Army, in the words of Deng Yuwen, a former Party editor who now lives in America, has become "Xi's personal army."

Among the unintended effects of Xi's campaign against the private sector has been an awakening of political consciousness. For years, many of China's entrepreneurs expressed ambivalence about the Party's abuses of authority. China is flawed, the thinking went, but it was moving in the right direction. That mind-set of compromise is rarer now. "This reversal has already been going on for many years," an investor who now lives abroad told me. "Of course, I miss China. But China has changed so much that it's no longer the same country."

Nobody I met thinks politics will loosen up as long as Xi is at the top, and he could rule for decades. (Xi's father lived to eighty-eight, and his mother is ninety-six. Xi, like many heads of state, can expect excellent medical care.)

The darker prospects of China's private sector have inspired job seekers to rush toward security: in 2023, 1.5 million people sat for China's national civil-service exam, up by half in two years. The popularity of securing a state job—known in Chinese as "landing ashore"—has fuelled an unlikely fashion trend, in which young men display their aspirations with sombre suits, windbreakers, and even Communist Party badges, a vogue known as "cadre style."

In less than five years, the Party has hobbled industries that once supplied tax revenue, jobs, inspiration, and global stature. For a generation, the Party found ways to put practicality ahead of ideology. "It doesn't matter if the cat is black or white," Deng said, "as long as it catches mice." In the Xi era, that principle has become, in effect: It doesn't matter if the cat catches mice, as long as it's red.

Year by year, Xi has rescinded the deal—space for loyalty—that Deng

and his generation made with their people. He broke the compact first with the political class and then with the business community. Finally, during the pandemic, he seems to have alienated vast reaches of the Chinese public, in ways that are only beginning to be truly visible.

For a time, China's approach to COVID was highly popular. In 2020, after failing to contain and cover up the initial outbreak, in Wuhan, the Party adopted a "zero-COVID" strategy, of closed borders, mass testing, and strict quarantine procedures, which allowed much of China to resume normal life, even as schools and offices in the U.S. struggled to maintain basic operations. Tech companies and the government collaborated to assemble huge tranches of medical and location data to assign everyone a health code—green, yellow, or red. Lockdowns were finite; volunteers went to work for the ubiquitous testing-and-enforcement crews, in white Tyvek suits that earned them the affectionate nickname *dabai* ("big whites").

But, over time, the zero-COVID strategy combined with the politics of fear to produce extraordinary suffering. Local apparatchiks, fearing punishment for even tiny outbreaks, became rigid and unresponsive. In Shanghai, most of the twenty-five million residents were confined to their homes for two months, even as food and medicine ran low. A woman whose father was locked down so long that he nearly ran out of heart medication told me, "We don't have to imagine a bleak future with robots controlling us. We've lived that life already." After citizens took to their balconies to sing or to demand supplies, a video circulated of a drone hovering above a compound in Shanghai, broadcasting a dystopian directive: "Control your soul's desire for freedom. Do not open the window to sing."

Some patients with problems other than COVID were turned away from hospitals. Chen Shunping, a retired violinist with the Shanghai Symphony Orchestra, was vomiting from acute pancreatitis before he jumped from his apartment window. In a note left for his wife, he wrote, "I couldn't stand the pain." In perhaps the greatest provocation, parents who tested positive were

separated from their babies and toddlers, who were taken to state wards. Last November, demonstrations erupted in Shanghai and other cities; protesters held up blank sheets of paper to symbolize all they could not say. Dozens were detained, and an unknown number remain in custody. Kamile Wayit, a Uyghur college student who shared video of the protests online, was sentenced to three years in prison for “promoting extremism.” When the zero-COVID policy was finally abandoned, the following month, the change was so abrupt that at least a million people died in a matter of weeks, according to independent analyses; the state stopped publishing cremation statistics.

Since the pandemic, a new strain of cynicism has emerged. “I’m shocked at how angry people are,” an entertainer in Shanghai told me. For the first time, he hears acquaintances openly share doubts about the competence of the leadership. “Confidence is like faith in religion,” he said. “It’s a belief in the evidence of things unseen.”

I visited a respected writer, who works at the foot of a crooked alley, in a hideaway almost entirely overtaken by books. (He distrusts e-books, because they, too, can be disappeared.) Nudging a cat from a stool to make sitting room, he spoke with a scowl about the pandemic. He identified a dynamic among people he knew: the older and more powerful they were, the more they were destabilized by the lockdown. “These are the *élites*,” he said. “They did a good job, they’re influential people. But they were left to wail in anguish. I kept thinking, If someone speaks up, maybe we can unite to say we don’t like the policy or the irrational conditions. But no one wanted to be the first to poke their head out.” He went on, “The most troublesome thing in China is that the open-mindedness—the ability to learn—has come to a halt. For forty years, we learned things, and then people concluded that China was formidable and capable, that the East is rising and the West is declining, that China is already a big boss in the world. And so we stopped learning. But, in reality, we haven’t even established a society with a conscience.”

People describe psychological marks that they are still uncovering. Months after the lockdowns, a friend was walking home from dinner and passed a testing booth. She felt a sudden, inescapable urge to kick it. “I was very angry—about everything,” she said. The shattered glass opened a gash in her ankle. Blood spilled out, and, to make matters worse, she suddenly remembered the surveillance cameras. “I was so afraid,” she told me. “Am I going to get in trouble?” Visiting the hospital felt risky, but the bleeding was too heavy to ignore. She made up a story about bumping into a glass wall, and by dawn she was bandaged up and limping home, her shoe caked in blood. She is left with a long scar snaking up her ankle, and the persistent remnants of the rage that triggered her outburst. “Subconsciously, it’s never going to be gone,” she said. She spends much of her time these days trying to find a way to emigrate.

In 2018, online discussions in China started to feature a Mandarin neologism: *runxue*—“the art of running.” When Shanghai went into lockdown, the saying took off. Tencent, a tech platform, reported a surge of people searching the phrase “conditions for emigrating to Canada.” Authorities were displeased; the immigration department announced plans to “strictly restrict the nonessential exit activities of Chinese citizens.”

But people found ways out. More than three hundred thousand Chinese moved away last year, more than double the pace of migration a decade ago, according to the United Nations. Some are resorting to extraordinary measures. In August, a man rode a Jet Ski, loaded with extra fuel, nearly two hundred miles to South Korea. According to rights activists, he had served time in prison for wearing a T-shirt that called China’s leader “Xitler.” Others have followed arduous routes through a half-dozen countries, in the hope of reaching the U.S. Some take advantage of Ecuador’s visa-free travel to enter South America, and then join the trek north through the jungle of the Darién Gap. This summer, authorities at America’s southern border reported a record 17,894 encounters with Chinese migrants in the previous

ten months—a thirteenfold increase from a year earlier.

For years, wealthy Chinese argued that they had more to gain by staying than by leaving, but many have changed their minds. In June, Henley & Partners, which advises wealthy individuals on how to get residence and citizenship by investment, reported that China lost a net total of 10,800 rich residents in 2022, surpassing Russia as the world's leading exporter of wealthy citizens. Last fall, in the name of “common prosperity,” Xi called for “regulating the mechanism of wealth accumulation,” raising expectations of new taxes on inheritance and property. “If you are part of the .01 per cent, you are trying to get out,” the entrepreneur told me.

Jun, a technologist in his fifties, who has a shaved head and a casual bearing that disguises intense sentiments, bought a place near the Mediterranean. “There’s an expression in Chinese: A smart rabbit has three caves,” he told me. “My biggest fear is that someday, with a Chinese passport, you can’t go out.” Chinese citizens can buy a foreign passport for about a hundred thousand dollars from a Caribbean tax haven such as Antigua or Barbuda. Since Malta started selling permanent residence, in 2015, eighty-seven per cent of applicants have been Chinese. Earlier this year, Ireland abandoned its investment-migration program, amid concerns over China’s domination of the process.

Jun is hardly a dissident; he has prospered through a series of Internet and entertainment ventures, but he has come to believe that the Party’s need for control is untenable. By choking off private life and business, it is hastening a confrontation—which Jun sees as painful but necessary. “The more pressure there is, the sooner it will open up,” he said. “In five years, China will be diminished. In ten years, it will be in conflict. But in fifteen years it might be better.” Versions of this view circulate widely enough that some Chinese have given Xi the nickname the Great Accelerator, in the belief that he is pushing China toward a reckoning. For now, Jun said, “nobody will say anything. They’re just watching the pressure cooker.”

Chinese leaders know the risk of a brain drain. In a speech in 2021, Xi said, “Competition for comprehensive national strength is, in the final analysis, competition for talent.” But, when that priority collides with the need for control, control wins. In Beijing, a man told me that his social circle has been so severely depleted by migration that he’s “trying to make new friends on the badminton court.” He relayed a recent family drama that combined multiple strands of distress: “My nephew told his parents, ‘If you don’t let my wife and me move to Canada, we’re going to refuse to have children.’ ”

David Lesperance, a former lawyer who helps wealthy clients leave China, said that inquiries tend to increase after a high-profile disappearance. One of his first clients was a member of a prominent Shanghainese family, he told me. “This guy said, ‘Look, my family’s lived through the emperor, the Taiping Rebellion, the Boxers, the Japanese, the Nationalists, the Communists.’ He said, ‘Our family motto was, no matter how good things are, we always keep a fast junk in the harbor with a second set of papers and some gold bars. Well, the modern equivalent of that is second passports, second residences, and second bank accounts.’ ”

Chinese citizens are generally allowed to convert no more than fifty thousand dollars a year into foreign currency. There are work-arounds, though. An underground network known as *feiqian* (“flying money”) lets you put money into a local account and retrieve it abroad, minus a fee. For larger sums, people rely on bogus invoices—sending, say, a million dollars for machine parts that cost a hundred thousand. In August, police arrested the head of Shanghai’s largest China-U.S. immigration company, the Wailian Overseas Consulting Group, and accused her of “collecting RMB in China and issuing foreign currencies abroad”—a signal that Chinese authorities are wary of an outflux of cash.

When I visited Singapore this summer, Calvin Cheng, a local businessman with close ties to Chinese élites, told me, “Singapore is a refugee camp for these people.” He said, “They eat the same food, speak the same language.

They don't feel like second-class citizens here." Chinese émigrés have taken to calling it Singapore County, as if it were another district of China. In 2022, the state registered 7,312 corporate entities with Chinese owners, up forty-seven per cent from the previous year. The wealthiest migrants congregate on the tony island of Sentosa, where villas rent for thirty-five thousand dollars a month. There have been so many new arrivals in rich neighborhoods that one Chinese resident told me, "They would just be hopping from house to house and toasting each other."

The press in Singapore tracks the movements of prominent Chinese businesspeople, including Zhang Yiming, the founder of TikTok's parent company, ByteDance; and Liang Xinjun, a founder of Fosun, the conglomerate that was pressured to sell off key assets. "A significant number of the founders of Alibaba are here," Cheng told me. "But they all keep a low profile." A businessman close to the new arrivals said that many of his Chinese friends are reading "1587, a Year of No Significance," a classic account of imperial hubris, which describes how the Emperor Wanli's rule descended into autocracy as an epidemic swept the land and his bureaucracy lost faith. "There have been thirteen dynasties in China," he said. "A lot of what Xi is doing is like the late Ming emperors. People see that and they say, 'Time to go.'"

Holly, a Chinese documentary filmmaker in their late twenties, told me that they recently secured a U.K. visa. "The most important thing for me is freedom. The ability to choose, and to control things around me," Holly said. In the past, they had misgivings about leaving China: "I felt guilty or ashamed. But after the lockdown, and after my friends were leaving, I was, like, 'Well, sometimes we can just take care of ourselves.'"

One afternoon, I waited at a side gate of Peking University, where a metal barricade was watched over by a drowsy guard in a booth. During the pandemic, China closed its campuses to outsiders, and the reopening has been slow. The guard studied a list of visitors until he found

me, pointed to a camera that captured my face, and then allowed me through. I was there to see Jia Qingguo, the former dean of the School of International Studies. In his office, he told me that the scarcity of foreign visitors was about more than COVID; the university was increasingly reluctant to allow in reporters from abroad. For a time, he had stopped answering interview requests almost entirely. “I didn’t know what to do, so I didn’t respond,” he said glumly. “I don’t know what they’re thinking of me now.”

Jia spoke with alarm of the trend in relations between the world’s two most powerful countries—of the Chinese balloon that was shot down in American territory, of U.S. export controls on technology, of a darkening mood in Beijing. “If you put these together—the economics and the U.S. pressure—a lot of people think that China’s current problem is caused by the U.S.,” he said. Jia suspects that American politicians’ jockeying for the toughest approach to China could heighten the chance of a violent confrontation. “By early next year, we’ll have the U.S. Presidential race in full steam,” he said. “People are very pessimistic.”

The feeling is mutual. President Joe Biden has sent a series of Cabinet officials to repair ties—even as Republican critics complained that the visits looked needy, and the State Department warned ordinary Americans to reconsider visiting China, citing a growing risk of “wrongful detention.” In Washington, the mutual antipathy fuels a daunting question: Is a stagnating China more likely to end up at war with America, or less?

The answer may depend on the trajectory of the economic decline. Economists generally agree that the boom years are over, but they disagree—even within the same institution—about how bad things will get. At the Peterson Institute for International Economics, the China specialist Nicholas Lardy expects slow but steady growth; he points out that imports are recovering and Internet companies are hiring again, and that the property slump has not undermined the financial system. “The banks can weather that hit,” he said. But Adam Posen, the institute’s president, predicts long-range

problems. Historically, he notes, autocrats—such as Hugo Chávez, Orbán, and Putin—have tended to achieve high growth for a time, but, eventually, their capricious use of force and favoritism creates a frustrated, cautious society. Citizens who can't vote out their leaders resort to hoarding cash or sending it abroad. Xi, compared with other autocrats, has a vastly larger, more functional economy, but the dynamics are similar; the zero-COVID policy, in Posen's view, was “a point of almost no return for Chinese economic behavior.”

In the darker scenario, China faces “Japanification”—a shrinking workforce, lost decades of growth. It might avoid that with quick, decisive policy changes, but Cai Xia, who was a professor at the elite Central Party School until she broke ranks and moved abroad, in 2020, told me that mid-level administrators have grown paralyzed by fears of a misstep. “Officials are ‘lying flat,’” she said. “If there is no instruction from the top, there will be no action from the bottom.” It is equally unlikely that change will be inspired from abroad. A Chinese diplomat recently told me that the government was annoyed by Westerners preaching reform. “We will stick to our plan,” he said. “The Chinese are stubborn,” he added, smiling tightly. “Principles are more important than tangible benefits.”

The economist Xu Chenggang told me that he regards the Party's current leaders as political “fundamentalists” who are blind to the risks of doctrinal rigidity. Xu won China's top economics prize in 2013, and four years later left his post at Tsinghua University, where a climate of ideological stricture has set in. He is now a researcher at Stanford.

During the boom years, China made rapid gains in technology using foreign investment and training, as well as rules that required “technology transfer.” But the U.S. has narrowed those channels: new export controls cut off China's access to advanced chips, and Biden issued an executive order that bars investors from funding Chinese development of A.I. In response, Xi has repeatedly declared China's ambition to achieve “self-reliance and strength in

science and technology.” Xu is skeptical. “In the U.S., you have a jungle of free competition, dozens of laboratories competing—no one knows what is going to work,” he said. “But the Communist regime will not allow for this. That’s the key issue.” The Chinese government sank billions of dollars into two failed efforts to build foundries for advanced chips; Chinese chatbots have struggled to compete with ChatGPT, because the Party imposed rules requiring them to uphold “socialist core values.” (If you ask ERNIEBot, a Chinese version of ChatGPT, whether Xi Jinping is pragmatic, it replies, “Try a different question.”)

In Washington, the ascendant view, in recent years, has been that Xi will respond to slower growth with greater aggression, including a possible invasion or blockade of Taiwan. In a 2022 book, “Danger Zone,” the scholars Hal Brands and Michael Beckley popularized a theory called “peak China,” which holds that the country is “losing confidence that time is on its side,” and might risk a war to make “nationalism a crutch for a wounded regime.” A related view, popular among Chinese abroad, is that Xi might attack Taiwan to elevate his status at home and to insulate himself against revenge for his brutality.

But the “diversionary war” theory faces skepticism from some experts on China’s military. M. Taylor Fravel, the director of M.I.T.’s Security Studies Program, who conducted the first comprehensive study of China’s territorial disputes, told me, “Not only did China not engage in diversion during periods of economic shock or unrest—it often became more conciliatory.” When China was isolated after the massacre at Tiananmen Square, Deng told colleagues to be “calm, calm, and more calm,” and he repaired troubled relationships with Indonesia, Singapore, South Korea, and Vietnam. Nobody knows yet if Xi will follow Deng’s pattern, but Fravel is wary of a mood in Washington in which, as he put it, “whether China is rising or falling, some people will say they’re going to become more aggressive.” Attempting to exploit China’s economic weakness could backfire, he said: “If China believes people are taking advantage of their insecurity—especially on things they

care a lot about—then they may be more willing to use force to restore the credibility of their position.”

In testimony before Congress this year, U.S. defense and intelligence officials said they saw no evidence that Xi had imminent plans to attack Taiwan. By most accounts, the more immediate risk is that rising tensions in the South China Sea or the Taiwan Straits could yield an accidental collision that leads to war. After Nancy Pelosi visited the island, in 2022, Chinese leaders launched the most threatening military exercises in decades. Wang Huiyao, a former adviser to China’s cabinet and the head of the Center for China and Globalization, a think tank in Beijing, sees the makings of a downward spiral of mutual antagonism. Chinese leaders, he said, “feel they’ve been provoked. Of course, the U.S. is saying, ‘Oh, China is doing another big military showdown—they’ll never give up using force!’ So this reinforces each other, escalating things.”

When I saw Nicholas Burns, the U.S. Ambassador to China, he predicted “a competitive, contested relationship for the next ten to twenty years,” though he observed that recent high-level meetings had “brought greater stability.” Burns anticipates that America will continue to bring home more of its supply chain—a process that politicians call “de-risking”—but warned against following that impulse so far that the two societies lose touch. According to the U.S. Embassy, the number of American students in China has plummeted from several thousand in 2019 to fewer than four hundred today. “You need ballast, and people are the ballast—students, businesspeople, N.G.O.s, journalists,” he said. “There’s no scenario where divorcing the two countries helps us.”

Walk down any street in Beijing before a big day on the political calendar and you'll see a profusion of mantras, emblazoned on posters and brilliant red banners. The era of Xi Thought is rich with pithy aphorisms, which somewhat cryptically remind the public to heed the "Two Establishes," the "Three Imperatives," and the "Four Comprehensives."

Xi has always spoken more bluntly in private. In a speech behind closed doors, shortly after he came to power, he uttered what remains the clearest statement of his vision. "Why did the Soviet Communist Party collapse?" he asked, according to excerpts that circulated among Party members. One reason, he said, was that the Soviets' "ideals and beliefs had wavered." More important, though, "they didn't have the tools of dictatorship." With dogged efficiency, Xi has set out to strengthen belief in the Party and to build the tools of dictatorship. He has succeeded more in the latter than in the former. These days, the most prevalent belief in China is that anyone—from the truest believer to the canniest tycoon—can disappear. This fall, there was fresh evidence: yet another powerful general, the defense minister, Li Shangfu, never arrived at a meeting he was scheduled to attend.

A wily editor who has fought with censors for years told me that people are growing increasingly unwilling to mortgage their rights in exchange for a higher standard of living. Without mentioning Xi's name, the editor said, "To use an expression that's popular online, everyone has a moment when they are 'punched by the iron fist.' Some were shattered by the constitutional amendment in 2018," which removed term limits on Xi. "For others, it was the second reelection. And for others it was the crackdown on the education industry or on tech. Every person has a different pressure point." As a result, society is not united in its frustrations: "The frustration is fragmented. It's not collapsing all at one point. There is one bit that is cracking here and another bit cracking there."

If public frustration continues to build, there is always the prospect that it will produce more than a short-lived protest with blank pages of paper. But

history suggests little chance of a palace coup; since the founding of the People's Republic, in 1949, no head of the Party has been deposed by underlings. (Three have been toppled by Party elders.) For the moment, China's economic problems are unlikely to doom the Party. To make up for its diminishing ties with the West, China is devoting more attention to making deals in the Global South. It now exports more to the developing world than it does to the U.S., Europe, and Japan combined.

For all of China's ambitions to greatness, it faces a consuming struggle to restore the trust and vigor of its own people. The stagnation could pass, as it did for America in the nineteen-eighties, or it could deepen, as it did for the Soviet Union during the same years. (A decade later, one of those empires was gone.) Wuttke's father-in-law was the first Russian Federation Ambassador to China; at a Party reception in 2011, his father-in-law cautioned Chinese comrades against the dangers of hubris. "We were in office for seventy-four years. You are at just about sixty-one," he said, adding, "The last ten years are the worst." As of this year, the Chinese Communists have matched the length of the Soviets' tenure. I asked Wuttke how Americans might misread China from afar. "The twentieth century could have been the German century, but we screwed up—twice," he said. "And the twenty-first century could have been the Chinese century, but they're now running the risk this is not going to happen." Xi, in the minds of some of his most accomplished citizens, has squandered that potential. The entrepreneur said, "Someone has to tell the Americans that the idea that China is going to overtake them is over. This guy has ended that game."

A decade into Xi's campaign for total control, he has awakened China's beliefs, but not in the way he imagined. I spoke with a former banker who moved his family from Shanghai to Singapore, after concluding that his expertise on powerful people and their finances put him at risk. "Even though I love China, the nation is one thing and the government is another—it's a group of individuals with power over the country for a brief period in the grand sweep of history," he said. "I have no intention of

overthrowing the government, nor do I have the ability. But there are truths that I believe Chinese citizens have the right to know. We've all been educated to say, 'Better to keep our mouths shut.' But this is wrong. When information doesn't flow, the whole country will go backward."

Xu, the economist who fled China, surprised me by describing this sort of political evolution as "enlightenment." He explained that his father, a prominent physicist and dissident, had spent decades under house arrest, but never lost faith in a comment from Albert Einstein: "The state is made for man, not man for the state. . . . I regard it as the chief duty of the state to protect the individual and give him the opportunity to develop into a creative personality." Xu told me, "Historically, Chinese people didn't know anything about constitutionalism or human rights. The proportion who do now is still small, but the *number* who are enlightened is not small. They know. That is going to be part of the future." ♦

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