

Macro Roundup Article

Headline: Communist Party Priorities Complicate Plans to Revive China's Economy

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Tweet: Xi Jinping is opposed to domestic consumption growth, according to well-sourced reporters @Lingling_Wei and @yifanxie. This implies that persistent imbalances with the West are a goal of the central government.

Summary: Xi Jinping has deep-rooted philosophical objections to Western-style consumption-driven growth, people familiar with decision-making in Beijing say. Xi sees such growth as wasteful and at odds with his goal of making China a world-leading industrial and technological powerhouse. Chinese officials also emphasized avoiding a current-account deficit, which would signal greater dependence on the outside world at a time of simmering tensions between Beijing and the West. Chinese officials told their counterparts at multinational institutions that the many hardships Xi survived during the Cultural Revolution—when he lived in a cave and dug ditches—helped shape his view that austerity breeds prosperity, the people said. “The message from the Chinese is that Western-style social support would only encourage laziness,” one person familiar with the meetings said. Related: Can China's Long-Term Growth Rate Exceed 2–3 Percent? and China's Defeated Youth and China Is Now Growing Slower Than the U.S.

Primary Topic: China

Topics: China, Database, GDP, Growth, News article

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