China’s government is cracking down hard on Western journalists, threatening not to renew visas for reporters from the *New York Times* and *Bloomberg* in retaliation for their reporting on the corruption of senior Chinese officials. *Times* columnist Thomas Friedman recently penned an open letter to the Chinese government telling them that, because the top “cause of death of Chinese regimes in history is greed and corruption,” a free press is more likely to help than hurt.

Anyone who holds freedom of the press and freedom of expression to be universal human rights will agree with Friedman’s position. But, in China, politics – including the politics of rights – is always intertwined with economics.

Last month, President Xi Jinping announced a set of sweeping economic reforms at the Central Committee’s Third Plenum, setting forth his vision of “the great rejuvenation of the Chinese nation.” His 60-point plan included reforms of fiscal policy and the financial sector that would set market interest rates on loans and deposits, permit some private-investor participation in state-owned enterprises, increase the role of small and medium-size enterprises, loosen labor restrictions, and introduce property taxes to boost revenue for local authorities.

This renewed embrace of the market, reminiscent of Deng Xiaoping’s original turn to capitalism in 1979, will be hard medicine for China’s entrenched business and government elites to swallow. If Xi’s administration is successful – a big if – its reforms may enable China to negotiate the necessary transition from an economy driven by exports and government investment to a more sustainable growth model based on domestic consumption.

The stakes are high. A country that has lifted hundreds of millions of people out of poverty over the last two decades must now find a way to safeguard and gradually increase those gains while engineering the same miracle for the hundreds of millions still left behind. The world has a significant economic, political, and moral interest in the success of China’s reform agenda.

In this context, it is important to understand that Xi’s economic reforms are only one ingredient of a carefully crafted cocktail. The rest of the recipe includes two parts popular social reforms – an end to the one-child policy for many Chinese parents and the abolition of “reeducation through labor” – and one part political crackdown. Increased censorship and intimidation of foreign journalists, together with the imprisonment of dissidents and tighter restrictions on dissent, are an effort to ensure that economic disruption does not give rise to political rebellion.

To implement his ambitious reform agenda, Xi has taken several steps to consolidate his personal and bureaucratic power. He has reduced the membership of the Politburo from nine to seven, making it easier to obtain agreement in a system designed to institutionalize collective leadership. He has increased the power of the Central Committee, which he chairs. And he has created a new State Security Council.
To understand how the State Security Council could serve Xi’s interest in centralizing power, consider the United States. Without the National Security Council and the Domestic Policy Council, the US president would have no routine way to control and coordinate different bureaucracies. White House staff working for the National Security Council call meetings at which officials from the State Department, Defense Department, Treasury, Justice Department, and other key agencies hash out their views on a given policy. But it is the president’s staff who guide the outcome and determines the next steps.

Xi’s moves to strengthen his hand have helped to convince observers that he means business with the reform agenda. Since the Third Plenum ended and the scope of Xi’s reforms has become clear, many China watchers have hailed him as the most transformative leader since Deng. Time will tell, but a key difference between 2014 and 1979 is that today the Chinese cocktail is spiked with fear.

Evan Osnos, writing in *The New Yorker*, reports that two years ago, in the midst of the Arab uprisings, a senior official told a meeting in Beijing that if the Chinese government “waver[ed]” in the midst of social-media-fueled global dissidence, “the state could sink into the abyss.” Recently, Osnos writes, a high-level Chinese diplomat explained the threatened expulsion of *New York Times* and *Bloomberg* journalists on the grounds that “the Times and Bloomberg were seeking nothing short of removing the Communist Party from power, and that they must not be allowed to continue.”

That fear is one of the principal forces driving Xi’s reform agenda. The Communist Party must keep the Chinese economy growing (even if more slowly), while fighting rampant corruption and responding to citizens’ demands. Chinese citizens cannot vote, but they can – and do – make their displeasure known, which places a premium on what Chinese bureaucrats call “stability maintenance.”

Will Dobson, author of *The Dictator’s Learning Curve*, describes the Chinese government as a technocracy whose legitimacy is founded on efficient problem-solving. “When a regime’s legitimacy is derived from its performance,” he argues, “any crisis – and how the party responds to it – can raise existential questions about the regime’s right to rule.”

China’s leaders apparently worry that Western-style investigative journalism inside China could trigger just such a crisis. In any case, they are taking no chances. They are placing their faith in their ability to wash their own dirty laundry and drive economic, social, and political change from the top down. And they are less and less willing to play by Western rules.