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## China needs a free market for ideas

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In his much acclaimed speech at the Davos World Economic Forum, Chinese President Xi Jinping proclaimed the importance of globalization and free trade for lifting people out of poverty. China is a prime example: Since the reform movement began in 1978, living standards have increased dramatically and China has become the world's largest trading nation and second-largest economy.

President Xi told world leaders, "We must remain committed to developing global free trade ... and say no to protectionism," which he likened to "locking oneself in a dark room." While Mr. Xi should be applauded for promoting the benefits of globalization and free trade, his rhetoric does not match the reality in China. It is true that the Middle Kingdom has come a long way in liberalizing its economy and opening to the outside world since the dismal days of Mao Zedong, but that progress should not divert attention from the fact that socialism, not market liberalism, is at the core of the Chinese Communist Party.

At the Third Plenum of the 18th Party Congress, in November 2013, it was made clear that the cadre "must hold high the great banner of socialism with Chinese characteristics, follow the guidance of Marxism-Leninism," and adhere to "Mao Zedong Thought" — in addition to "Deng Xiaoping Theory." Since that time President Xi has consolidated power, slowed liberalization and, in preparation for the major Party Congress later this year, made allegiance to Party principles paramount.

The truth is that while China has increased economic freedom, it has protected the Party's iron grip on power and suppressed freedom of expression — there is no free market for ideas. Without such a market, the Chinese people are subservient to the state and their range of choices limited. Thus, the lack of a free flow of information and competition in the market for ideas hamper human and economic development.

The absence of a market for ideas in China reveals that President Xi's embrace of free trade and globalization is largely a pretense. His anti-protectionist rhetoric is belied by his protectionist and nationalistic actions, grounded in the very nature of a one-party state. The actions of the CCP against free speech are well known. In the 2016 World Press Freedom Index, compiled by Reporters without Borders, China ranked 176 out of 180 countries, only three ranks above North Korea — and things appear to be getting worse in preparation for this year's Party Congress.

Most recently, the prominent free-market advocate Mao Yushi was censored for criticizing Zhou Qiang, chief justice of the Supreme People's Court, for his campaign to delegitimize the "Western ideas" of an independent judiciary and the separation of powers. Mao, one of the founders of the liberal Unirule Institute of Economics and a recipient of the Milton Friedman Prize for Advancing Liberty, has long suffered under the watchful eyes of the authorities. His books have been banned and the Beijing Municipal Cyberspace Administration has closed two of Unirule's websites.

In addition, the cyber police have gone after virtual private network services that allow users to circumvent China's "Great Firewall." Locking individuals out of Google, Facebook, Twitter and YouTube will only isolate them from the global economy and further empower the state.

Instead of treasuring open discussion and independent thought, China's leaders fear criticism and competition. Yet protectionism in the idea market is a major threat to China's future. It deprives individuals of their freedom and places them in the "dark room" that Mr. Xi warns against.

The late Nobel laureate economist Ronald Coase and his coauthor Ning Wang concluded in their book *How China Became Capitalist*, "When the market for goods and the market for ideas are together in full swing, each supporting, augmenting and strengthening the other, human creativity and happiness stand the best chance to prevail." Xi Jinping is correct to support free trade and globalization, but to be taken seriously he must also end destructive protectionism at home — not only in the market for goods but in the even more important market for ideas.

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