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The "Rise" of the Chinese Intellectuals and its Consequences

Yawei Liu (刘亚伟)

Director
China Program
The Carter Center
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Yawei.liu@emory.edu
www.chinaelections.org

An ultimate American intellectual in Chongqing

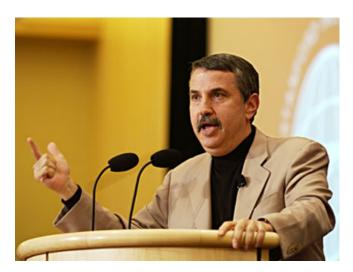






- Kissinger: I understand the first thing Xi Jinping did after he was elevated to the CMC vice chairmanship was to visit Chongqing. He spent three days in Chongqing and spoke highly of Chongqing's achievements.
- He made a special trip to Chongqing to meet with Bo Xilai after meetings with the young leaders in Beijing: Xi Jinping, Li Keqiang, Li Yuanchao and Wang Qishan.
- It is very significant for American companies to settle in Chongqing.
- •Kissinger to Bo: I first met you when you were the mayor of Dalian. You organized a fashion show attended by 50,000 people. I saw you last time at the dinner of the Olympic Games.
- •Bo to Kissinger: You are a legendary hero in China. People do not remember names of American presidents, but they all know you.
- Kissinger: As an intellectual visiting Chongqing, I saw the vision for the future by the Chinese leaders;
 I am shaken by the vitality of the city.

A "Lesser" American Intellectual in Guangdong

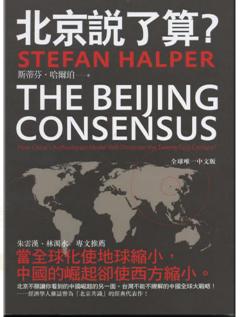




- When Wang Yang was the party secretary in Chongqing, he required all city officials to read Thomas Friedman's book The World Is Flat.
- Wang Yang invited Friedman to visit him in Guangzhou.
- In Friedman's op-ed Nytimes article, "Postcard From South China", he said, "The only way forward, say officials, is for China to gradually develop a cleaner, knowledge-based, service/finance economy. It has to move from "made in China" to "designed in China" to "imagined in China." In short, the economy here has to become greener and smarter".

A "Petite" American Intellectual in China





- In 2004, Joshua Cooper Ramo wrote a paper entitled "The Beijing Consensus". Ramo's central thesis is as follows:
- Strong commitment to innovation and experimentation
- Superb combination of sustained economic growth and equitable distribution of wealth (Guangdong & Chongqing)
- Fierce spirit of national independence in the foreign policy arena, self-determination against foreign financial encroachment and a unique doctrine of asymmetrical defense capacity



The Debate at the Top: Wen Jiabao, real reformer or good actor?

Premier Wen Jiabao: a real political reform action plan/timetable. In Wen's design there are 3 components:

- 1) direct elections moving up from villages to towns and to counties;
- restraining government power via independent judiciary oversight;
- through a checks and balance mechanism and allowing a freer and more autonomous media. Wen's repeated calls fell on deaf ears within the CCP top echelon, but also disillusioned the board masses as the latter have see no tangible actions being taken. Some even label Wen as the best actor in China's theater of politics.





The Debate at the Top: Wu Bangguo, NPC boss can say "No"

Wu Bangguo, who is ranked the second at the Standing Committee of the CCP Politburo, seemed to have attempted putting the brakes on Wen's runaway train by making a solemn "six nos" declaration at the recent annual session of the National People's Congress (NPC) in Beijing.

The now infamous "six nos" include: 1) no multiple party system, 2) no diversity in ideology, 3) no checks and balances, 4) no bicameral parliament, 5) no federal system, and 6) no privatization (???!!!).





Debate at the top moving to the intellectual circle?







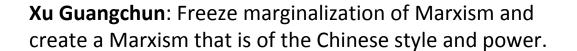
Yu Keping: Democracy is a good thing. How good is it? In Cheng Li's description, Yu Keping does not believe China has enough democracy; a consensus must be formed that China needs democracy; and there must be a special kind of democracy that will not cause chaos in China, sustain China's economic development, and preserve societal harmony.

Mao Yushi: China can never be a superpower unless it adopts democracy and rule of law.

Zhang Qianfan: China's lack of democracy is caused by the lack of power of the people's congress. People's Congress will not have any real power unless its deputies are freely and competitively elected and can exercise their power without intervention from the Party.

Debate at the top moving to the intellectual circle?

Chen Kuiyuan: In a speech seen by many as declaration of war on political reformers, CASS president rejects the Deng Xiaoping theory, revives the concept of class struggle, declares that there is policy difference at the top and openly labels the United States as an evil nation bent on slowing down, if not destroying, China. He calls for a renaissance of sinified Marxism. (What we are resisting is not the Western civilization that originated in ancient Greece but the political culture of the United States which desires to create a new world order.)



Zhang Weiwei: China's reform is a lot better than the reform efforts in many other countries that have tried to emulate Western ways. Economically, China has shocked the world. It will find its own political path and win praise from the entire world.







The "cake theory"







- At a December 2010 meeting on economic development, Bo Xilai said that Chongqing should introduce a fair and balanced way of dividing the cake while baking the cake. Only when the cake is fairly divided will the bakers have incentives to bake a bigger and better cake. In July 2011, the Chongqing Municipal Government adopted the resolution to eliminate three gaps and get rich together.
- On July 10, 2011 at a plenary session of the Guangdong Party Congress, Wang Yang told the representatives dividing the cake is secondary to baking the cake.

Is the cake theory important?

您对做大与分好"蛋糕"的 争论怎么看?



This is a reflection of the growing frustration of Chinese who do not seem to enjoy the benefits of the economic reform.

- ★88% believe the debate on the cake theory is very important as it is crucial to forming consensus on future reform.
- ★45% believe you cannot have fish and the bear's paw at the same time. In other words, they strongly support the Chongqing approach and oppose the Guangdong model.
- ★52% believe baking and dividing the cake can be mutually beneficial. In other words, they also like the Chongqing approach.
- ★2% believe baking a bigger cake is more important.

Guangdong and Chongqing: A Contrast

- Efficiency vs. justice: 2010 GDP: Guangdong at 12.2% & Chongqing at 17.1%
- Guangdong is a coastal province that has always led the nation in economic growth. Chongqing is a mountainous city whose growth became phenomenal since Bo Xilai and Huang Qifan took over; it did not grow so fast under Wang Yang's watch
- Gini coefficient: Guangdong at 0.65 and Chongqing at 0.45
- In economic and political totality, Guangdong should be more concerned about dividing the cake and Chongqing more focused on baking a bigger cake.
- A policy debate gets blown up out of proportion because of ideological differences and political uncertainty.



Getting rich together is a pseudo goal

Yu Chongsheng:

- 1)Getting rich together is but a socialist utopian scheme that cannot become reality in this world; getting rich is only possible for a few;
- 2)There has to be a due process from getting rich earlier to getting rich together and this process cannot be fair and just if it is controlled and manipulated by the government using illegal and extralegal means;
- 3)The best way to achieve a healthy and harmonious society in a nation that is pursuing money and power recklessly is to restore individual rights and dignity through means like collective bargaining, curtailing of executive powers and popular elections.

The failure of the Chongqing model is...

Zhao Lei:

- 1)Getting rich together is a fierce battle that has to be won;
- 2)If we lose this battle, the Chinese Communist Party will be driven out of power;
- 3)If the CCP loses power, China will face two nightmarish situations: 1) the outbreak of a civil war and 2) the disintegration of the Chinese nation;
- 4)Only the United States and Japan like to see China degenerate into this sorry state;
- 5)People say there is a race between reform and revolution in China; the Chongqing reform must succeed because failure is not acceptable.

The Guangdong model is about...

Xiao Bin:

- 1) It is about deepening rule of law;
- 2) It is about expanding democracy;
- 3) It is about establishing the social security network;
- 4) It is about opening government information and budgetary transparency;
- 5) It is about growing the civil society;
- 6)But Guangdong is a province of extreme wealth and dire poverty; Guangdong for sure needs a more balanced growth; several mass incidents recently occurred in Guangdong.

What model? There is no model!

The Guangdong model cannot be reproduced; nor the Chongqing model.

- 1)Guangdong inherited the manufacturing capacity from Hong Kong;
- 2) Guangdong benefited from the cheap labor army;
- 3) Guangdong has had policy privileges from the central government.

By the same token,

- 1)Chongqing has Bo Xilai and Huang Qifan who can get national policy exceptions from the central government;
- 2) Chongqing has plenty of land to develop;
- 3) Chongqing has the banks in its pockets.

What is more important is what we are informed in this debate and how it will impact China's political development in the near future. More equitable distribution of wealth is a national issue that cannot be resolved without meaningful public participation through institutionalized channels.

It is a long overdue delayed political reform

- This debate has convinced the top leadership that the top priority for the Party is not to make itself more accountable, but to devote more resources to provide better services for the people, and increase their purchasing power and weave a social security net that has never been there for most of the Chinese people.
- •Hence the 12th Five-Year Plan is dedicated to three reforms: economic reform, social reform and administrative reform
- •The Arab Spring has simply deepened this conviction: Wu Bangguo's "six nos" were delivered in this context. The welfare politics (民生政治) is the only politics in town now. (发展是硬道理,稳定是硬任务)
- •The challenge is can these reforms be achieved without political reform. (Without political reform, will all fail?)

It reveals a lack of consensus at the top

- No one has echoed Wen Jiabao's advocacy for political reform; Wen, although censored repeatedly by the media under his control, has not lost any of his power.
- Even the media itself has suffered schizophrenia: the "Zheng Qingyuan" series (10/21 to 11/2, 2010) that were seen as frontal assault on Wen and the "tolerating thinking differently" series (异质思维,April through May 2011) in the People's Daily.
- The neutrality of Hu Jintao in this debate is intriguing; his speech on 7/1 did not signal political reform but has dampened the growing arrogance among many Chinese model advocates (三个没有变,四大危险,四大考验).
- Xi Jinping is not making his position very clear, although in general he seems to be on the left. In China it is always better to be on the left than on the right.
- 执政、改革开放、市场经济、外部环境考验;精神懈怠、能力不足、 脱离群众、消极腐败的危险

Chinese intellectuals have lost their compass

- Chinese scholars are sharply divided among themselves.
- Those on the right have no top leader to follow, censored by the media occasionally, criticized by the leaders often and severely compromised by the wikileaks.
- Those on the left have coalesced behind Bo Xilai and are poised to "storm" the capital next year. There is also the effort by these intellectuals to count Xi Jinping as one of their own.
- The left consists of many scholars that are US educated or live in the West. (Wang Shaoguang, Cui Zhiyuan, Pan Wei & Zhang Weiwei are the most representative)
- The right is lonely, being cast as slaves or running dogs of the United States while the left has vocal support from the top echelon of the Chinese Communist Party.

Hate crimes with Chinese characteristics



A silver lining?

- Could this be China's Hamilton-Jefferson debate that may eventually lead to partisan politics?
- It is bad that there is no elite cohesion, but it is always good to have policy debate in the open. It is even more important not to see the other side as an enemy of the state, and not to use patriotism as clubs of suppression. Developing the sense of loyal opposition is crucial but difficult.
- The future of Bo Xilai will have a huge impact on the future of China, particularly if he ascends to a more important position at the Standing Committee of the Politburo; however, he should be given credit for waging an open, ugly and populist battle to earn political capital.
- All of this will make 2012 more suspenseful and years after uncertain and even dreadful.

Globalization vs. Core Interests

Zheng Bijian (November 22, 2005):

• It is economic globalization that has made China's peaceful rise possible

 There is no intention whatsoever to break up or overthrow this system

The core drivers of China foreign policy are:

- Peace with foreign nations 对外谋求和平
- Domestic harmony 对内谋求和谐
- Reconciliation with Taiwan 对台谋求和解

Dai Bingguo (November 2008): China's core interests-

- The security of the basic system of the nation
- National sovereignty and territorial integrity
- Sustained and stable economic growth
- China replacing the US as the superpower is a

myth (中国取代美国称霸,那是神话, 2010年12月7日)



Shut up, America!

Xi Jinping echoed Dai's definition of China's core interests recently when welcoming VP Biden.

8/19/2011

中国人民珍视自主选择的发展道路和政治制度,珍视国家主权和领土完整。

Xi's "three nos"

- We do not export revolution
- We do not export hunger
- We do not criticize others from a moral perspective (三不折腾别人)
- So we hope those foreigners stop making fuss about China.



The "Petite" American Intellectual Again...

From 2004 to 2010, in 6 years Ramo has moved from all positive to increasingly concerned



- China is keenly aware of its shortcomings and avoids direct confrontation
- It seeks victory without war through indirect and small steps (cyber attack and destroying satellites)
- The China model is the product of a century of humiliation
- China and the US should enter into an alliance and rebuild the international order; China should help America restore its economy
- But China lacks the spirit of cooperation and always seeks to maximize its own interests
- The biggest danger between China and the United States is not war but their inability to work together on international affairs
- China does not believe US will cooperate; therefore, it is using all means to protect itself with a patience perfected by thousands years of history and urgency of a rising superpower.