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“Democracy for China: Missed Opportunities and Opportunities Ahead”

SPEAKER:
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Introduction and Moderator:
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SUZANNE SCHOLTE: Good afternoon, I'm Suzanne Scholte, President of the Defense Forum Foundation and it is my great honor to welcome you to today’s Forum. Our Forums were established in the 1980s for the specific purpose of giving Congressional staff the opportunity to hear from expert speakers on critical national security and foreign policy issues. We are very proud of our tradition of nonpartisanship because the very issues we address are of concern to all Americans and today’s topic unites us in our concerns for the ongoing persecution of the people of China and the many people’s groups that are suffering whether Tibetans, Uighyers or Falun Gong practitioners or countries threatened by Chinese ongoing aggression and expansion in the South China Sea and elsewhere.

We are honored to have a great champion with us who is one of the most important leaders in the Chinese democracy movement: Dr. Yang Jianli. Dr. Yang has been active in the Chinese democracy movement since the 1980s and participated in the 1989 Tiananmen protest and co-authored the Constitution of a Federal Democratic China. He holds a PhD in mathematics from the University of California at Berkeley and in political economy from Harvard University. In 2002, Dr. Yang returned to China to support the labor movement and was imprisoned for 5 years. Following his release, Dr. Yang founded Initiatives for China, a.k.a. Citizen Power for China, an organization that promotes China’s peaceful transition to democracy. Dr. Yang co-chaired the Committee on Internet Freedom at the Geneva Human Rights and Democracy Summit and represented Liu Xiaobo at the Nobel Peace Prize ceremony. He was a part of the Forum 2000 with the Dalai Lama and four other delegates hosted by former Czech president, Vaclav Havel. Dr. Yang is a recipient of numerous international human rights awards including the 2002 Outstanding Democracy Fighter Award, the 2012 Morris Abram Human Rights Award, the 2013 Harvard Kennedy School Alumni Achievement Award, and the 2013 Truman-Reagan Medal of Freedom. Personally, he is a great inspiration to me because he is tireless in his pursuit of democratic values, passionate in speaking out forcefully for the oppressed, and full of creative ideas to motivate action. Thank you for giving us this honor of hosting you today, Dr. Yang, one of my heroes.

Dr. YANG: Thank you so much, Suzanne, for such a kind and generous introduction. The only problem was that, hearing the introduction, I thought I was dead. But I cannot and shouldn't think that, for my mission is not yet finished.

I am honored to be invited by the Defense Forum Foundation, and specifically by its Chairman, Ambassador Middendorf.

I was impressed to learn that Ambassador Middendorf did such a good job as President Ford's Secretary of the Navy that President Carter paid him the unusual tribute of asking him to remain as Secretary.
I also admire the many years of efforts by DFF's President Suzanne Scholte to expose human rights abuses, especially in North Korea, which surpasses even China in the primitive brutality of its repression. Suzanne invited me to speak more than 7 years ago about Charter 08 not long after it was published. Charter 08 is a manifesto led by Liu Xiaobo demanding a peaceful democratic transition in China, for which Liu Xiaobo was arrested and sentenced to 11 years in prison, and for his leadership role in Charter 08 and two decades of peaceful struggle to advance human rights and democracy, he won the 2010 Nobel Peace Prize. But I want to remind everyone that as I speak he is still languishing in China's prison.

Thank you, Suzanne, for inviting me back to talk about China's democratic perspectives. Can you think of any topic harder than this?

I personally think the three most difficult things facing humanity are: making peace in the Middle East, democratizing China, and losing weight. Unfortunately, I am taking up two of the three.

Let's go back to the most important reference point in talking about Chinese politics—the 1989 Tiananmen incident, whose 27th anniversary we just commemorated less than two weeks ago.

The 1989 pro-democracy movement stood against government corruption and for democracy and freedom. This movement was widespread but ended in bloodshed. The Tiananmen massacre created a strong sense of fear and dismay of general politics among ordinary people. Any room for a public system of checks and balances against governmental abuse of power was taken away.

It also created a sense of fear and crisis within the Communist regime, because it had brought unprecedented public awareness to human rights and democracy. Life was no longer the same for the rulers who had to face a completely different domestic and international environment.

The subsequent disintegration of the Soviet Union and the Eastern European Bloc cast an even heavier cloud over the heads of Chinese Communist officials. "How long can the red flag continue to fly?" They all started to doubt.

To be sure, the CCP regime was struggling to survive the Tiananmen crisis, for which breaking international isolation was one of the imperatives facing the regime. Less than three weeks after the Massacre when China's leadership was least assertive and most susceptible to outside pressures, President Bush secretly sent his special envoy National Security Adviser Brent Scowcroft to meet with Deng Xiaoping and other Chinese leaders.

The meeting, later made public, did not seem to bring about any tangible results for either side. But this very gesture of President Bush's reveled America's weakness and assured China's leadership the US's intention to continue the recognition of, and maintain the normal relations with, the repressive regime even if there was no indication of its willingness to admit or correct its serious mistakes or crimes. On July 28, 3 weeks after his special envoy returned to Washington, President Bush wrote a second, extremely carefully worded letter to Deng Xiaoping. "Please understand", wrote Bush, "that this letter has been personally written, and is coming from one who wants to go forward together. Please don't be angry with me if I have
crossed the invisible threshold laying between constructive suggestion and 'internal interference'..." What could that imply? Judge for yourselves.

Democrats, especially Governor Bill Clinton in his campaign trail, harshly criticized Bush for "kowtowing" to China, while some conservatives saw Bush's move in the aftermath of the Tiananmen incident as premature in the absence of conciliatory gestures from Beijing. Different China views were reflected in the debate on whether and how to continue to grant China a MFN trade status.

One side of the debate, led by Rep. Nancy Pelosi and Senator George Mitchell, asserted that US trade relations with China must be linked to China's human rights record. We, Chinese democracy activists, supported this idea because we understood that without such a linkage, continuing normal trade with China would be like a blood transfusion to the CCP regime, making it more aggressive and harming the interests of both the American and Chinese people. This idea was embodied in Pelosi and Mitchell's legislation in 1993. But one year after assuming presidency, President Clinton took a 180 degree turn and reversed the policy. The reversal was based on the theory, which was widely upheld by corporations, columnists pundits and policy makers, that trade would lead to democracy because trade would inevitably result in economic growth and the growth of the middle class which would in turn demand more political freedom.

This theory does not seem to apply to China, at least up to this point.

With money and technology pouring in from the U.S. and other Western countries, the Chinese Communist regime not only survived the 1989 crisis, it catapulted into the 21st century. The country's explosive economic growth lifted it from one of the poorest countries to become the number two economy in the world; but China remains firmly near the bottom of indicators on democratic development. Over the years China's middle class have largely been acquiescent to its one-party dictatorship and its gross violations of human rights. What has gone wrong, in China and the international community?

Let's look at China.

In 1992, when the Americans were heatedly debating about China policy and about to delink human rights from trade, Deng Xiaoping took the famous Southern Inspection Tour to further economic opening up. Communist officials at all levels soon realized three realities: First, the Chinese Communist Party's stay in power has nothing to do with communist ideals. Second, "economic growth means everything;" that is, continued economic growth is the last, best hope to keep the CCP ship afloat. Third, in order to uphold the one-party dictatorship, it had to rely on capitalizing on the dark and evil side of human nature: spoiling the elite in exchange for their loyalty.

With the understanding of these three realities, the communist officials developed an undocumented but almost unanimously accepted code of conduct—or rather, code of corruption. So, every piece of governmental power is on sale in the market and every corner of the market is invaded by political power.

Officials in all government agencies spent most of their energy beefing up GDP, engaging in power arbitrage, bribing their superiors, and seeking luxurious personal perks. As a result, the
Communist Party elite, who used to label themselves "the vanguards of the proletariat class," had either turned themselves into get-rich-overnight capitalists, or become brokers, patrons, and backers of domestic and foreign capitalists.

In such a political environment, political power was dancing a full-swing tango with capital operation. Low human rights standards, low wages, lack of environmental protection regulations and enforcement, and the illegality of collective bargaining all contributed to creating a golden opportunity for domestic and international speculative capitalists. As a result, "money" quickly courted "political power." Business venture takers would go to any length to seek out someone in power to serve as backers so that they could grab market opportunities without fair competition. They also used political connections to shed any and all legal and social responsibility. In a sense, the Chinese Communist Party, which used to be China Inc.'s sole shareholder, had now opened up its equity and offered its shares for capitalists to purchase.

This is very important for one to understand why "the middle class prediction" has so far failed in China.

One. Given China's government-market relations, the middle class owed its success to the privileged relations with the state. To expect such a state-dependent class to make bold political claims would have been fanciful.

Two. Trade and economic development were carried out as a matter of deliberate state policy, unlike the US and UK these early developed countries which developed without knowing, the fast growth did not give rise to a politically independent middle class, but instead allowed the existing ruling structure to absorb into its own ranks the most talented and ambitious members of business elite. The CCP's 16th National Congress, for example, published a new Party Charter that welcomed capitalists as Party members.

Meanwhile, the shares of China, Inc. were offered to China's intellectuals as free, performance-related stock options. In order to sustain stability, the CCP regime offered all kinds of bribery incentives to buy off anyone and everyone of importance and influence in society. The bribery list includes bureaucrats at every level, military officers, and business leaders as well as college professors, journalists, publishers, authors, art performers, high-profile athletes, and so on. The government pays all these people off in the form of salaries, bonuses, state-covered expenses, free medical insurance, subsidized housing, free pension plans and so on. Laws and policies more and more favor this group of people in exchange for their recognition and acceptance of the political status quo. Their income and perks add up to wealth that is disproportionally higher than that of ordinary workers, farm workers, clerks, and small business owners. Such a policy of co-opting and buying off potential opposition was quite effective in conjunction with the purges and persecution after the Tiananmen massacre. The cruelty of political reality created terror in the minds of intellectuals as a psychological deterrent. As time went on, fear turned into the cynicism, they became increasingly indifferent to what was
right and what was wrong. Indifference and hypocrisy rapidly became a new fashion that the modern Chinese intellect tried to follow. This, coupled with a piece of the action in China Inc., made many intellectuals—who had once been independent and once been considered the conscience of the society—soften up their position against the post-1989 status quo.

Over the 1990's and the first 10 years of the 21st century, in China, power (political elite), capital (economic elite) and "intellect" (social and cultural elite), were bonded together and formed an alliance that is maintaining the existing political order. This alliance owns and runs China, Inc., dazzling the entire world with its wealth, might and glory. With China's vast geographic size and population, the shareholders of China, Inc. have impressed many observers with their prodigious wealth accumulation and astonishing growth rates, making those same observers believe that one-party dictatorship is good for economic growth. By the same token, these shareholders also control all the channels of the information flow and dominate the public discourse. They can make their voices loud enough so the outside observers believe that they represent China, that they are China—the whole of China.

The truth is, there is another society named China, a society constituted of over a billion Chinese who are virtually laborers working for China, Inc. and whose basic rights are almost totally disregarded, the China that people sarcastically call "the China of shitizens."

This was the China's two-China structure I often talked about before Xi Jinping took the power. This was largely a two-player game.

During the same period, the US diplomatic establishment largely harbored the delusion that economic growth will bring about democracy in China. US Presidents and other senior officials, deeming human rights issues inconvenient while engaging with China, would avoid them as much as they could. Faced with the rising China, US gradually lost leverages. Now, the Chinese leadership practically cares little about the pressure from Western public opinion because politicians and businessmen from around the world are salivating at China's immense purchasing power, investment and markets. It's no exaggeration to say that today, Chinese leaders are the most well-received, honored guests in a majority of countries worldwide; China is the destination for many of the world's elite who thirst for gold.

Beijing tightly controls the freedom of the press. They could cut off Google and Yahoo anytime; they'd refused visas for New York Times journalists and critical scholars, and blocked access to Twitter and Facebook. All without impunity. While at the same time, they can set up any media they would like in the US. Ironically, China, which screens, censors and bans any print and electronic publication, has been invited to serve as the country of honor at book fairs in Frankfurt, London, and New York! Hollywood is the epitome of free American culture; filmmakers are free to ridicule, mock, and criticize American politicians and government officials such as senators, judges, and the president, without fear of persecution. But in their pursuit of China's box office dollars, Hollywood executives have consciously decided to steer clear of any criticism of the Chinese government. Despite this, American movies are still censored in China, and some are not allowed at all. Virtually all American media are blocked in China. In the United States today, the Chinese government and its surrogates have wide access to universities, think tanks, and broadcast studios through which they can advance their opinions and rationalize their actions.
China is using the economic power it has gained with the help of the West to build a formidable, modern military. As its power grows, China is demanding a re-write of international norms and rules. China wants to create a new international order with China at the center of the Asia-Pacific region, bringing regional and world peace under threat. The current South China Sea tension is just a case in point.

In short, the failure of the US to proactively seek advancement of human rights and democracy in China has in turn harmed its long term national interest and its democratic way of life.

Let's look at China again to examine opportunities ahead of us.

Despite his unprecedented high-profiled anti-corruption effort, Xi Jinping has largely continued the two China structure and shown the world that he is more determined than his predecessors not to abandon the one-party dictatorship in favor of democratic reforms.

A subtle change, however, is taking place largely due to Xi Jinping's personality, anti-corruption campaign and the unstoppable economic down turn.

Xi Jinping has concentrated power in his own hands and built a cult of personality. The Economist writes that Xi is now not the CEO (the chief executive officer) but the COE, the "Chairman of Everything." He's the head of state, the leader of the Communist Party, the commander-in-chief of the armed forces, the head of the security services, the head of the
committee in charge of the so-called "comprehensive reform," and also the person in charge of the economy.

He has abolished the practice of "collective leadership," which was adopted in 1982 to prevent a return to the totalitarian terror of Mao's unchecked dictatorship, which produced such horrors as the Cultural Revolution. All this has undergone through power struggles in form of anticorruption campaign. In doing so he has allienated his comrades at all levels and they have remained in a "state of idle" to quietly protest. One of the major reasons behind Xi's anticorruption campaign is the two-China ruling mode-co-opting the elite and exchanging corruption for loyalty, has become increasly costly and thus almost unbearable. But ending that mode without granting people more liberties is an impossible task. The only thing it can achieve is to allienate the political, business, intellectual elite, the middle class if you will. With the economic down turn, more and more members of the middle class are feeling insecure and seeking to leave the ruling structure and even the country.

At the same time, Xi, acting out of fear, has overseen the harshest crackdown on dissent since the Tiananmen massacre, arresting lawyers, academics, workers, and civil society activists, and tightening controls over the media and access to the Internet.

Politically, the elite who are just beginning to turn their backs on the regime, are caught between a ruling party above, and a mass of workers and peasants below, with whom there is no mutual trust.

Xi Jinping is a game changer. He is unwittingly turning the two player game into a three player game, dissolving the power base that has helped the party stay in power to this day. This is the deepest crisis facing the Xi Jinping regime.

To be sure, growth is slowing; the party is in disarray, because the rules it has established to limit internecine political warfare have collapsed; Beijing's foreign policy is driving the Sino-U.S. relationship toward conflict; middle-class acquiescence is beginning to erode.

But I do not pretend that revolution will take place tomorrow. We must be noted it usually takes four factors to be present at the same time to begin a real democratic transition in an autocratic country: 1) general robust disaffection from people; 2) split in the leadership in the autocratic regime; 3) viable democratic opposition; and 4) international support.

Let me elaborate.

First. China's Stability Sustaining System treats every citizen as a potential enemy, and it has successfully made them enemies--dissidents, independent intellectuals, land-lease peasants, victims of forced demolitions and eviction, victims of forced abortion, veterans, migrant workers, Tibetans, Uyghurs, Mongolians, Christians, and Falun Gong practitioners, you name it. The CCP regime does not lack enemies. With slower economic growth, the grievances of the citizens will be laid barer and social unrests can only be mounting.
Second. As I said earlier, the elite China is beginning to decompose. Party's leadership unity has also disintegrated, as shown by the purge of Bo Xilai, Ling Jihua, Zhou Yongkang and their cronies since 2012.

Perhaps the only achievement in China's political system in the past 30 years is the establishment of the "two-term, 10-year, one-generation" term limit system. Many observers predicted that such a system would ensure long-term stability for the CCP regime, wishfully believing that this system helped the CCP find a way out of the pit of power discontinuity that has plagued all dictatorships in history. The Bo Xilai incident, however, mercilessly burst that bubble. Now it is Xi Jinping himself that is challenging this norm. The cracks within the party are only widening.

Third. The concept of democracy has prevailed in the minds of the general public, thanks to the dozens years of efforts made by the pro-democratic activists both in and outside of China.

In the meantime, the ordinary people are becoming more mature, more skillful, and more aggressive in fighting for their own civil rights. Generally speaking, as citizen forces grow and the civil protests escalate, struggle for power among different factions with the communist regime will become public. Especially, once the external pressure reaches a critical mass, the rivalry factions with the CCP will have to take the citizen force into serious account and seek or use the latter's support.

That said, I want to emphasize that we need an overall, viable pro-democracy movement to force the dictatorship to crack open. A milestone to meet that objective would be the formation of a group of civil leaders able to represent the general public, integrating the middle class and lower class people in demanding for democracy, and to at least partially disrupt the current political order -- a group that will catch attention and support of the international community and can carry out and to call for effective negotiations with the government.

Fourth, last but not least, international support.

China under one-party dictatorship cannot rise peacefully, and its transition to a democratic country that respects human rights, rule of law, freedom of speech and religion, is in everyone's best interest, including America. In other words, the U.S. must push for a peaceful democratic transition in China. The reason for this is simple: To support China's regime, a regime that ruthlessly represses its own people, denies universal values to justify its dictatorship, and challenges the existing international order to seek its dominance, is morally corrupt as well as strategically unsound. Like Frankenstein's monster, China is now seeking to revenge against its creator - the West.

While many policymakers in Washington have now realized that it is time to get tough on China, some still believe that the present and future conflicts between the U. S. and China can be managed. My view is this: Without China's democratization, a clash between the U. S. and China is unavoidable because the two countries' strategic goals are on a clashing course and their core interests cannot be compromised.

I hereby call the US to end the compartmentalization of human rights and begin to engage China with moral and strategic clarity.
To start, the Congress should pass a China Democracy Act that flatly states that enhancing human rights and democratic transition in China is decidedly in America's national interest and that directs the Federal government and all its agencies to make democracy and human rights advocacy the core of all engagement with China. This would be binding legislation precluding the currently widespread but inaccurate claim that Congress must balance, on the one hand, its claim to support the universal value of human rights, and, on the other hand, "America's national interest." The bill also would require a report from the President to Congress every year on how any government program, policy, or action during the prior twelve months has strengthened or weakened human rights and democratic values in China.

All federal departments of government - every single one - should have to report on what they're doing to bring democracy to China by advancing human rights and the rule of law there. The Act also put them on notice to take no action, adopt no policy and implement no program that would undercut the democracy movement, or weaken human rights in China.

Such a China Democracy Act will give us a better idea of what successes we've had so far, what caused them, and how we should increase financial resources and deploy them to promote democracy and human rights.

Such an Act will serve as America's grand strategy toward China, setting a firm foundation that not only guides U. S. activities with China in all spheres, but also makes clear of the U. S. intentions to the Chinese government and sends an unequivocal message of support to the Chinese people.

No one can predict with precision when the moment of dramatic opening for change will come in China. Virtually every one of the sixty some peaceful transitions to democracy in the past few decades have come as a surprise to the US.

Above all else we must maintain our faith in my compatriots that they can and will join the vast majority of the world's peoples who now live in free or at least partly free countries. An opening for change could come in the next few months or it may take a few more years. But it will never come without collective efforts, including those from the international community. So we must persevere and keep the faith and be ready.

Perhaps, Suzanne, you will invite me to speak at this forum again in 7 years. If so, it is my hope that by that time the China Democracy Act will have long been enacted and my topic will be Perspectives of Consolidating China's Nascent Democracy. Thank you all.
**Question 1:** I have heard you speak many times before but your speech today was your finest hour. That was a tremendous presentation. One thing I think we still need to do is to educate people about how much money would be saved if China became a democracy. I think this is an important part of the China story.

**Dr. Yang:** Thank you for your question Jim. I’m so glad you are here, you are an old friend and supporter. Jim actually acted as my speech writer for many years – thank you, Jim. But for this one, he cannot claim credit. I made it last night, myself.

That’s a very good question. I think first of all, we have to have more of these kinds of forums to let American people have an accurate understanding of China. As I said in my talk, the China Inc has become so powerful, they project the image that China is rising, that everything’s good, that people are living a happy life. That’s the wrong image. They are able to distort that projected image to deceive the people around the world. Of course, in many cases, people just celebrate their purchasing power, but that’s a different story. We have to do our best to educate American general public and their representatives in Congress.

It is quite understandable that China is a remote country, lots of domestic issues are focused on their tension already, but today, I want to get the message out that yes, China is far away, but it is not far away. It’s actually penetrating into our democratic way of life. I have hundreds of examples. I don’t have time to share with you. In the universities and high schools, the things that are happening are really disturbing. Not to mention the South China Sea tension that will bring American military resources. Who knows if there will be a military clash or not.

I always ask the question, so many people in this country care about economic development, business, everything, which is understandable, but I still need somebody to calculate how much tax payers’ money will be saved if China became democratic. If you don’t have to build up a military in the South China Sea, if you don’t have compete with another evil empire, as President Reagan called us. I think that this kind of argument and true China story should be relayed to as many people as possible. That is why I am so thankful to Suzanne for giving me this forum to
speak, or at least, provide a side of China’s story that you do not normally get from media and academia. We should do more of this. I’m open to do more of this and meet with any Congressional members’ aids to talk about China.

**Question 2:** You said that a Democratic China would be a less war like China, what evidence do you have to support that theory?

**Dr. Yang:** Thank you, that is a very important question. There is a widely accepted theory that democracies do not go to war with each other. In the history of the world, there is no contrary example to this theory, okay, number one.

Number Two: When China becomes democratic, the governmental decisions, even such a decision of whether going to war, should be checked and balanced by the people’s will. There is a system that can control, at least partly control. If you go to any country, even in the Middle East, even to a terrorist-based country, and you ask the people, they will tell you honestly that they do not want to go to war. Actually, much, much fewer people in this world want to go to war than those who do. So, nobody wants to kill or be killed. If we have a chance to sit down with the suicide bomber, if he or she survived, and talk with them deeply, they would say they don’t want to die. I think every person on this earth does not want to kill or be killed. If people on this earth can freely express their will in democracy, many people would say “No, no war, at least have some system of checks and balances.”

Number three: In China, because the general population cannot participate in the political process. For example, they cannot talk about the texts in the local city, they cannot talk about government corruption in their city. Usually this is the politics of any country, right? All politics are local. Very few people care about what happens on the other side of the world. Their attention is primarily focused on the local issues.

Now, you see in China that there is a very strong nationalist sentiment – why? Because that is the way to participate in the politics of China. They have no chance to take care of their own local issues. If they have a chance to really take care of the local issues, they will become more rational and not just show phony nationalism. Most of the nationalism is phony, it’s a very complex phenomenon. Is this wrong? Is this phony? People try to blow it, but not to break it. It’s easy to break it because nationalism can go both ways. It’s a double edged sword. For example, when China goes to a military clash with Japan, surely it will defeat it. Once the defeat takes place, the nationalism will work against the regime instead of supporting the regime. It can go wrong very easily. With all this analysis, I think that democracy in China will make the whole world a safer place, a more peaceful place. Thank you.

**Question 3:** I enjoyed your talk very much. You seem very optimistic but with all the problems of the past and the fact that Xi Jinping has been successful in passing a law restricting NGOS, waiting out the Hong Kong activists, building a base on coral reefs, controlling the media, even coercing Hollywood, Spielburg, and even Mark Zuckerberg groveling, some would argue that Xi Jinping is winning as the bully and the strong man and he has been very effective in consolidating power, so why do you have such optimism?
Dr. Yang: Yes, he has been very effective in concentrating power in his hand, but at the same time, he is making enemies everywhere. Of course, he has done many things, many of which are disturbing. That has made many people pessimistic about the future of China. However, you must look at what’s going on in China. It’s very subtle. Now, I can speak from my own personal experience. More and more people come to see us from inside China, those who are apologists and defenders of the political status quo. Now, they are coming to see us, they want to do something to change China – why? Xi Jinping, by doing all the things that you just mentioned, is making everyone an enemy. In my talk I asked why has the middle class been so far acquiescence to everything that is happening in China, because the government coerced them, they became a part of the ruling structure, but now that structure is dissolving. Of course, on the surface, you say that Xi Jinping is the strongest man ever, but at the same time he is making enemies within the party, making enemies in the elite class, the main enemy of his own people just like Mao Zedong did in the Cultural Revolution. The Cultural Revolution turned a two player game into a three player game. Himself, elite, and ordinary people. The difference was Mao and the ordinary people trusted each other. He could mobilize the people but Xi cannot. I see the dynamic which is very different from when Hu Jintao was in power. That’s my hope – that the middle class is now turning their backs on Xi Jinping.

The real question for Xi Jinping is whether he will turn the three player game into two players or continue in this way. If they continue in this way, the day will soon come where he wakes up and understands that he is the enemy of everyone. I don’t have to say too much about what is going on in the party. In the party, there are too many demoted princesses in the party. This princess will naturally be an opponent for whoever wants to oppose Xi Jinping – there are so many of them. With economic downturn, with the middle class facing that, I think within five years, there is going to be something very interesting happening in China. If he’s lucky enough and survives all of this, and he wants to continue on to a third term, he has to break the norm. This breaking the norm will meet resistance from within the party, people will seize the opportunity as an excuse to stand up against him within the party. Economic downturn will be an excuse for many people to blame him. I think the game in China is different from when we had the Hu Jintao era. And it’s very interesting to watch if next year at the 19th national party congress, whether he will pick up an heir apparent. Those are the frontrunners he already made it very clear that he will not take them. But who he will choose or if he will not choose at all. If there is no heir apparent in place, that is an indication that he wants to continue on to the third term. So the question is how and whether he will get the mandate to continue.

How to get the mandate? That’s a very good question. I, sometimes ironically speaking think that when he finds everyone is his enemy, he will think only Liu Xinbao and the Dalai Lama can help! Only these two people will not care about their position in government and would be willing to work with him for the timetable for change. So I want him to hear my message and think about it.

**Question 4:** You mentioned the role of rising China’s nationalism as a way to diffuse some of the rising dissatisfaction. I’m wondering how effective you think that will be. Can you talk about that and the rhetoric of the Chinese dream that Xi Jinping likes to use to disrupt the sense of nationalism?
Dr. Yang: It’s very difficult for the current leader to find a slogan that can unite the people. There is a big gap between their ideology of Marxism/Communism that has nothing to do with reality. So they have to find something to try and unite the people. Xi Jinping came up with the China dream. China dream in many minds of the Chinese people is just a farce. Some people say it’s not there. So that just shows the dilemma of the current leader. They have to find a source of legitimacy. There have been two sources of legitimacy for the party to rule. One, fast economic growth, performance induced legitimacy – now it’s gone, gone in the wind. Another one is nationalism. Nationalism actually filled the vacuum left by Marxism/Communism. As I said earlier, nationalism in China is not much more than lip service. So, it can work both ways. China’s government has been very carefully handled. It is kept to a certain scale and degree. Don’t trust that nationalism can do anything in China, probably can destroy something. I’ve never had any trust, confidence or hope on Chinese nationalism. Thank you.

Scholte, Yang, Barbara Montgomery and DFF Vice Chair Ty McCoy; Scholte, Yang, and Paul Protic of the Congressional Executive Commission on China.

For more information on Dr. Yang and his work visit:  
www.initiativesforchina.org

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