

The Varied Faces of Liberty in China: Economic, Civil, and Religious¹

By Charles Wolf

I. Preamble

It is a standard practice to end talks or papers by highlighting a few so-called “takeaways”---3 or 4 salient points that the speaker or author wishes the audience or reader to remember, retain, and perhaps cite in further discussion of the subject. I’ll return later to the takeaways, but will start with what I’ll call “bringalongs”: a few points to keep in mind throughout the discussion of economic, civil, and religious liberty in China. The bringalongs may help clarify some of the discussion.

The “bringalongs” are these:

First, “**Liberty and Freedom**”: English is richly endowed with two nearly synonymous terms: **freedom**, of Saxon origin, think of the German *Freiheit*--- an unencumbered openness and easiness in daily living that is more or less taken for granted in the U.S. and other democracies; and **liberty**, of Norman origin, think of the French *Liberté*---a more formalized and institutionalized concept, in which any limits imposed on its exercise must be enacted through duly-constituted legal processes (i.e., the rule of law). Differences between liberty and freedom are nuanced and somewhat arbitrary, but may nonetheless be important. My Mandarin-fluent friends inform me that, in Chinese, there is only a single word which treats liberty and freedom as synonyms (*zi you*, 自由).

In discussing **economic freedom** in China, my principal referent is **freedom from** (or absence of) restrictions affecting free and competitive markets, free enterprise, and freedom from excessive regulation. I will also

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refer to **freedom to do**---to take various actions in support of free markets, free enterprise, and competition.

In addressing **civil and religious liberty** in China, I mainly have in mind **what can or cannot be done**---that is, what is explicitly proscribed and unacceptable in the civil and religious domains, hence is deemed “politically incorrect”, in contrast to what is, at least implicitly, allowed or even encouraged.

In China’s authoritarian system, economic restrictions of various sorts are important (e.g., forming joint ventures with foreign partners, accessing bank credit by private enterprises vs. state-owned enterprises (SOEs), raising equity capital in domestic and foreign stock markets). Exemptions from these restrictions may also be important. The restrictions affect incentives and transaction costs, how the economic system works, and how well it’s likely to work in the future.

Restrictions on civil and religious liberty are extensive---some explicit, others implicit. They also vary in significance, as well as in the extent of their enforcement and of compliance with them. Toward the end of this essay I will address the relationships among economic, civil and religious liberty by formulating several hypothetical scenarios reflecting how these liberties interact now and how their interactions may evolve in the future.

The second “bringalong” is what I’ll call the “**3 T’s and 1 S**”---issues that are forbidden in public and even private discourse in China. The forbidden T’s are “Tibet, Taiwan, and Tiananmen Square”; the forbidden “S” refers to the student protest movement in Hong Kong (sometimes called the “umbrella movement”), which has erupted and been quelled during the past several years.

This “bringalong” is more specific than the preceding bringalong about freedom and liberty. The first T, Tibet, constrains religious as well as civil liberty because the Tibetans are devout Buddhists, as well as advocates of greater autonomy for Tibet as a province of China. The Communist Party of China (CPC) is not anti-Buddhist so long as Buddhism is practiced in a decentralized, localized manner. But the CPC is severely anti-Buddhist if Buddhism is, or when it appears to become, a centralized, organized religious **movement**. In this latter incarnation, Buddhism is viewed by CPC leaders as unacceptably divisive because it may be an object of loyalty and commitment inimical and contrary to China’s national interests and the interests of the CPC.

The other T's are Taiwan and Tiananmen. They are off-limits because deemed as conflicting with the core unity of China over which the CPC presides. A similar proscription applies to the unacceptability of the S---the student protest movement in Hong Kong.

In sum, the 3 T's and 1 S are "bringalongs" that relate specifically to civil and religious liberty. To a degree, they are separable from economic freedom in China.

I turn now to consider the meaning and scope of economic freedom in China.

II *Economic Freedom*---"freedom from", and "liberty to do"

The respective roles of free and open markets (both domestic and foreign), free enterprise, and private ownership, on one hand, and of central planning, state-owned enterprises (SOEs), and extensive government control via regulatory policies and other means, on the other hand---these are subjects of continuing debate in China. In some respects, the China debate is a counterpart to the continuing debate in the U.S. on the appropriate roles and scale of the private sector versus the government sector.

However, in the Chinese debate, advocacy of free markets and private enterprise is sometimes characterized as "reformist" and "rightist radicalism", while advocacy of government control and the dominance of the state sector and SOEs is characterized as "leftist traditionalism". Ironically, the U.S. political debate often views free markets as rightist traditionalism, and expanded government intervention as leftist radicalism.

I am cautiously optimistic that the Chinese debate will be resolved in favor of free markets. Herewith, the reasons:

- (1) In November 2013, President Xi Jinping convened the Third Plenum of the Party's 18th Central Committee meeting. The meeting culminated in a 60-point Plan for "economic, social and legal reforms" aimed at achieving for China the status of a developed nation by 2049.² The Plan affirms China's aim to transition to an economy that is less dependent on government investment, and is "more driven by

² see *knowledge.wharton.upenn.edu* (2013), for a summary of the Plan

consumption, innovation, and market forces”.³ Of course, plans are easier to formulate than to implement, and the Plan is notably inexplicit about implementation. Moreover, other parts of the Plan were eloquent in praising the state’s central role in guiding China’s dramatic growth over the past 3-decades, and in acknowledging the major contribution made by SOEs to this achievement. So, the Plenum’s emphasis on free markets is partly balanced by praise accorded to centralized state control.⁴

- (2) China’s private sector as a share of GDP is 60%, while the state’s share is 40%. Urban employment by the private sector also exceeds that of the state. Furthermore, the private sector’s annual growth rate since 2008 has been twice as high as the state sector (18% vs. 9%). Accompanying the differing GDP growth, employment growth in the private sector has sharply exceeded that in the private sector.⁵ If and as China continues to experience a significant slowdown from its remarkable growth during the past three decades, I opine that the leadership will favor the private sector because of a compelling interest in limiting if not reversing any further slowdown, and sustaining at least moderate economic growth and maintaining or increasing employment.

Consequently, policies are likely to be designed to assist the private sector by freeing it from excessive rest regulation and excessive taxation, while encouraging more open markets both at home and abroad. The private sector is likely to be strengthened by

³ *ibid*, p.2

⁴ Paradoxically, there has been some pushback from the SOE’s (e.g., China’s National Overseas Oil Company, China’s National Petroleum Company, China’s Chemical Company), with occasional indications they may prefer to be freer from government influence, and hence more flexible and agile in their investment, employment and other decision-making. The pushback may also reflect the remarkable success achieved by several private companies and the wealth realized by these companies’ senior executives---for example, Alibaba and its founder, former CEO and principal owner, Jack Ma (one of China’s richest billionaires), and the privatized electronics giant, Hua Wei and its top executives. Mr. Ma’s assertion of differing priorities from those of U.S. capitalism---namely, customers and employees ranking above shareholders in Mr. Ma’s priorities---may also find resonance among CPC leadership (see theamericanceo.com, October, 2014)

⁵ The cited data are from Nicholas Lardy, “Markets over Mao: The Rise of Private Business in China” (Peterson Institute for International Economics, 2014). See also, *The Economist*, “Unstated Capitalism”, December 2014; Ronald Coase and Ning Wang, “How China Became Capitalist”, (Palgrave Macmillan, 2012); Yasheng Huang, “Capitalism with Chinese Characteristics”, (Cambridge University Press, 3008); and Charles Wolf, r., “Puzzles, Paradoxes, Controversies, and the Global Economy”, Chapter 6, “A Truly Great Leap Forward” (Hoover Institution Press, 2015).

these considerations. (Recall the first “bringalong” about freedom and liberty, “freedom from” and liberty “to do”).

(3) However, the 4th Party Plenum in 2014 did not fully dispel uncertainty about the respective future roles of the private and state sectors in China’s economy. While the Plenum’s final communiqué strongly and unsurprisingly re-asserted the dominance of CPC authority, it did so without clarifying whether this authority will be exercised in favor of free markets and private enterprise, or of the state sector and SOEs. Nevertheless, my interpretation of this ambiguity is that free markets will be net beneficiaries⁶ because of several conclusions summarized in the communiqué:

(a) according a reduced role for local officials in applying national laws (local officialdom has often been an impediment to further expansion of private business);

(b) calling for increased accountability and transparency of government (while skepticism is warranted as to whether and how this will be implemented, its intent is a net plus for the private sector)⁷;

(c) recognition of the greater productivity and efficiency of private enterprise and freer markets (reflected in the data cited in point (2) above) will tend to encourage the leadership’s move in this direction.

(3) China’s finance minister, Lou Jiwei, formerly chief of China’s \$600 billion sovereign wealth fund (China Investment Corporation), recently gave a significant and prescient, as well as controversial speech at Tsinghua University.⁸ Minister Lou cited the acute difficulties that developing countries---especially but not exclusively in Latin America (including Brazil)---have had in escaping what he referred to as the “middle-income trap” (measured by per capita GDP of approximately \$500 per month). He emphasized the particular urgency as well as difficulty for China to surmount this trap. The obstacles he cited included severely adverse demographic conditions,

⁶ Potential benefits may include protection of private property, widened scope for stock markets, and provision of private equity capital from foreign as well as domestic sources, more flexible labor markets, etc. .

⁷ Shannon Tiezzi, *The Diplomat*, “4 Things We Learned from China’s 4th Plenum”, (October 23, 2014)

⁸ www.businessspectator.com.au/article/2015/5/5/8/china, “Can China Escape the Middle Income Trap?”

a rapidly aging population, rising dependency ratios between retirees and the working-age population, increased urbanization, and rising costs of health care. Minister Lou urged rapid free market reforms in China's agriculture, manufacturing, and service industries to counter these inexorable and vexing difficulties. Finally, Minister Lou estimated the chances of succeeding in these efforts as no better than 50/50 !

I doubt that this forecast was welcomed by Minister Lou's colleagues in the State Council.

(4) A final and significant but rarely discussed reason for cautious optimism about economic freedom and marketized reform is the resonance between Xi Jinping's anti-corruption drive, and reduction of the government's role in China's economy. This resonance proceeds from a striking and neglected paradox that is encapsulated in the following syllogism:

- *Rising and conspicuous corruption is a serious threat to the legitimacy and longevity of the CCP.*
- *As long as the state plays a major role in the economy, incentives for party members to engage in corrupt practices will be lucrative and irresistible.*
- *Therefore, the state should reduce its economic role to further the CPC's longevity and stature, quite apart from whether this reduction might help or hinder future economic growth.*

As a consequence of the syllogism, some influential thinkers in the Party (perhaps not excluding its chairman, Xi Jinping?), may favor an expanded role for free markets and private enterprise and a diminished role for the state sector. The inference is that expanding the role of markets, and reducing that of the state will avoid or at least lessen impairment of the Party's stature and thereby help assure its long-term retention of power !⁹ The syllogism becomes an *a fortiori* argument in favor of free markets and private enterprise in light of the productivity and growth data cited in points (1) and (2) above. The syllogism is also responsive to Finance

⁹ see, Wolf, "Puzzles, Paradoxes, Controversies", op cit, (chapter 11, "Developmental Corruption in China").

Minister Lou’s concerns about whether China can surmount the middle-income trap. It is also partly responsive to the contention recently expressed by economists Lawrence Summers and Lani Pritchett that China may experience the “regression–to-the-mean” phenomenon typically ensuing in other economies after periods of extraordinarily rapid growth, like those of China from 1980 through 2012.¹⁰ Another factor pointing in the same direction is China’s growing awareness of the importance of innovation in sustaining economic progress. There is evidence that innovation in China doesn’t prosper from top-down direction.¹¹ Prospects for successful innovation may be brighter via decentralized, bottom-up initiatives mediated by competitive free markets.

III Civil Liberty: What’s Proscribed and What’s Permitted

Freedom House provides a useful scale for measuring civil liberty at a broad, aggregate level.¹² This rating is a valuable complement to the specificity of the second “bringalong” (3 T’s and 1 S), in evaluating Civil Liberty in China, as well as its cognates---Civil Rights and Civil Society---and considering their longer-term prospects.

The Freedom House scale focuses on “freedoms enjoyed by individuals, rather than governments or government performance”.¹³ It calibrates 195 countries and 15 territories in terms of three categories: *Free*, *Partly Free*, or *Not Free*. The Freedom House ratings cover a 7-point scale, and 3 categories: 1-2=“Free”, 3-5=“Partly Free”, 6-7=“Not Free”¹⁴ Of 51 countries designated as *Not Free*, China falls in the second tier of what Freedom House labels the “Worst of the Worst”. The “second tier” means that, among the distinctly *Not Free*, China is slightly freer than North Korea, Saudi

¹⁰ Lani Pritchett and Lawrence Summers, “Asiaphoria Meets Regression To The Mean”, National Bureau of Economic Research, October 2014.¹⁰ See also a summary of their paper in *The NBER Digest*, March 2015. Summers and Pritchett point out that Asiaphoria proved to be unsustainable following the rise of Japan, the growth of the Asian Tigers (Korea, Taiwan, Singapore, and Hong Kong), and the emergence of the Asian Dragons (Malaysia, Indonesia, and Thailand).

¹¹ See Eric Warner, “Patenting and Innovation in China”, (RGSD 347, RAND, 2015)

¹² Freedom House, “Freedom in the World, 2015, Annual Report on political rights and civil liberties

¹³ *ibid.*, pp.2. 11-13,20, ff.

¹⁴ For the Freedom House methodology, see *ibid.*, p. 2/

Arabia, and Syria; China receives the same *Not Free* rating as Cuba, Laos and Crimea (post-Russia's annexation); and is slightly less free than Iran, Egypt, and Algeria.

China's aggregate rating on the Freedom House scale is 6.5: for political rights, its rating for denial of political rights is the maximum 7; and for civil liberties, its rating is 6---slightly worse than Iran, Egypt, and Algeria which, although also *Not Free*, are accorded a half-point less-free rating than China.

The quality of Civil Liberties in China

The Freedom House effort to quantify civil liberty is useful and interesting, but it lacks a sense of the texture and quality of civil rights, civil society and civil liberty in China. This quality is profoundly different in China from how these liberties are construed in the U.S. and other democracies. Civil liberty and civil society are extolled and protected in the U.S. because pluralism and diversity are quintessential values cherished by America, and nurtured by its rule of law. These values are widely institutionalized and strongly incentivized by according tax exempt status to an enormous range of organizations with sharply divergent and conflicting purposes: for example, gun control vs. the NRA; pro-life vs. pro-choice in regard to unplanned pregnancy; business lobbies vs. union lobbies; teachers unions vs. charter schools; think-tanks of right and left persuasions; Political Action Committees covering a vast range of conflicting ideologies; and more than 350,000 religious organizations---all of which benefit from tax exempt status. The total number of these NPOs in the U.S. exceeds 2,000,000.¹⁵ Diversity and pluralism are thus central to and protected by the Constitution, the Declaration of Independence, and the rule of law.

These attributes are remote from the texture of civil liberty in China. Discussion in China of the triad of civil liberty, civil society, and civil rights has greatly expanded in recent years, in both official media and among the 642 million internet users and the 700 million owners of smart phones in China.¹⁶ However, the CPC concept of this triad differs fundamentally from that in the U.S. The difference is reflected by China's new national security law, which requires that all foreign NGOs and their Chinese partners (including schools, universities, orchestras and other artistic organizations) must be registered and regulated by the Public Security Ministry. All such NGOs are obliged to find an official sponsor before they can register.¹⁷ In accord

¹⁵ Wolf, *Puzzles, Paradoxes, Controversies*, op cit., "Tax the Non-Profits".

¹⁶ See Internetlivestats.com, and technetcrunch.com

¹⁷ Edward Wong, *New York Times*, "Chinese Security Laws Elevate the Party and Stifle Dissent", May 20, 2015

with the 3rd and 4th Plenums of the 18th Party Congress, China aims to “strengthen the construction of new types of think tanks with Chinese characteristics...and establish a policymaking constituency.”¹⁸

The guiding purpose of civil liberties in China is to encourage transmission by multiple sources of a collectively-reinforcing message of support for government and the CPC. Unity rather than diversity is the aim---one that I’d guess is likely to be satisfied by a few hundred NGOs, rather than the 2-million-plus NGOs in the U.S.

Of course, the new law and the quotations I’ve cited are fraught with ambiguities and uncertainties about how they will be implemented. And there may be countervailing influences exercised by the enormously expanded digital penetration and private internet traffic mentioned above¹⁹, although these influences may in turn be limited by state censorship (recall the “3-T’s and 1-S” bringalong referred to earlier), and its deterrent effect on free and open communication). That said, it seems quite clear that what animates China’s concept of and interest in the civil liberties triad (liberty, rights, society) is far removed from the corresponding U.S. and other democracies’ perspective .

Three final comments on civil liberties in China:

- (1) The 4th Party Plenum explicitly and vigorously endorsed the rule of law and its application throughout China, while limiting the ability of China’s 37-provinces and administrative regions to waive or modify its local application. This represents progress, although it's far from a guarantee of free speech, *habeas corpus*, protection from self-incrimination, and other civil liberties that are among democracies’ core values.²⁰ In China’s practical applications, “rule of law” has typically meant “rule **by** law”, in which decisions ostensibly reached by the judiciary are and have been subject to confirmation, modification, or overrule by the CPC.
- (2) Politically and philosophically, “human rights” are a quintessential component of civil liberty, as construed in the U.S. and other democracies. This is not so recognized in China. For example, debate over the death penalty (e.g., should it be construed as “cruel and unusual punishment?”),

¹⁸ China copyright and media .word press, edited by Rogier Creemers (May, 2015).

¹⁹ see also *supra* (5), concerning Finance Minister Lou’s reflection of diversity among some of the elite.

²⁰ Jerome Cohen, NYU professor of law, has written widely and wisely on rule of law in China,.see

<https://en.wikipedia.org/wiki/>.

private sexual affinities and practices, and same sex marriage are not allowed in China. Nor is this likely to change in the near term.²¹

- (3) What passes for “political correctness” in China and in the U.S. highlights the sharp difference between their respective views of civil liberties. In China, what currently reigns as politically correct is hyper-nationalism, whether relating to issues in the South or East China Sea, or to the “3 T’s and 1 S”, or to other policy domains. In the U.S., what governs political correctness is hypersensitivity to avoid offending any group or individual, and hence implicitly discriminating against it. In China, political correctness signifies a zeal for national exclusivity; in the U.S., political correctness means a zeal for ethnic and cultural inclusiveness. China’s zealotry restricts civil liberty, while America’s zealotry risks curtailing one group’s liberty in seeking to avoid curtailment of another’s.²²

IV Religious Liberty

China is a secular and “relational” society in which familial and kinship ties figure more prominently than the individual and “transactional” ones that predominate in the U.S.. Nevertheless, China’s Constitution asserts that all “citizens of China enjoy freedom of religious belief.”²³ A related Constitutional stipulation is that “religious beliefs and religious affairs are not subject to any foreign domination”. In strict accord with Marxist doctrine²⁴, the Chinese Communist Party requires that all its members (85 million) must be committed atheists, and must be re-educated to this commitment if they stray from it. In effect, freedom of religion is precluded for CPC members. The same point could be stated more euphemistically: unless an individual’s religious belief is atheist, he or she cannot be a Party member. Notwithstanding the rules, non-

²¹ Although China reported first same-sex male marriage in Fujian Province in September 2012. see: <http://fj.qq.com/zt2012/>; and first same-sex female marriage in Anhui Province in December 2012, see <http://mn.sina.com.cn/video/zonghe/2012-12-26/16441634.html>

²² If and when the two different forms of political correctness come into conflict with one another, it is far from clear to me that the political correctness reigning in the U.S. will be equal to the challenge posed by China’s brand of political correctness.

²³ See npc.gov.cn, Article 36.

²⁴ Karl Marx, “Religion...is the opium of the people”, *Critique of the Hegelian Philosophy of Right*, (1844, introduction).

compliance is frequent. Many CPC members acknowledge being Buddhist, and many party members are Bible readers and church goers, particularly in coastal regions.

The Constitutional guarantee applies both to theistic and atheistic religions, explicitly including in the former category Islam, Protestantism and Catholicism, and in the latter, Buddhism and Daoism. Confucianism is not considered a religion, neither theistic nor atheistic, but instead is viewed as an aspect of China's culture, and in harmony with the state and with its presumptively-meritocratic governance. This view of Confucianism is reflected by nearly 500 Confucian Institutes that the Chinese government has established in academic and other institutions in dozens of countries, including the U.S..²⁵

In discussing religious liberty in China, it is also worth recalling the second of the “bringalongs” that I mentioned earlier---in particular, the first T, pertaining to Tibet). As I suggested, religious freedom in China is accorded to localized, individualized practice and belief. It is not extended to any organized, centralized, and especially externally-influenced **movement**. China's Communist Party is not anti-Buddhist so long as Buddhism is construed and practiced as a decentralized, local religious belief. But, the CPC is anti-Buddhist if Buddhism is or becomes a centralized, organized religious movement with political influence and aspirations, as seems manifest in Tibet. In this latter incarnation, Buddhism appears to the government and CPC leadership as unacceptably divisive because it is or may become an object of separate loyalty and commitment inimical to national interests and the interests of the Party.²⁶

Despite the constraints, a recent study estimated the number of Christians in China as 70 million.²⁷ Catholicism and its prelates are acceptable in their local practices within a national Chinese Catholic church whose officialdom is appointed by the government. Chinese Catholicism's guidance by and subservience to the Vatican is formally not acceptable in China.²⁸ Nonetheless, the Internet and newly

²⁵ There were 480 Confucian Institutes in 2014, (Wikipedia.org/wiki/ConfucianInstitutes)

²⁶ An innovative Chinese sociologist, Enying Zheng, has done interesting research on organized religion in contemporary China. Her research seeks to dispel these views through establishment of university-based Buddhist organizations at two elite universities in Fujian province to provide a venue for discussions between these NGOs, and government authorities to enhance mutual understanding. (see Enying Zheng, “*Institutional Entrepreneurs from Elite Universities: The Creation of a Social Organization of Buddhists in Contemporary China*”, 2006, enying@mit.edu)

²⁷ The 2015 estimate is from a joint Baylor University-Peking University study, (see csmonitor.com)

²⁸ See, for example, “*Chinese Christians Resist Government Plan to Remove Crosses*”, *New York Times*, August 11, 2015

emerged social media have quietly but actively engaged with millions of people having Christian ideas and beliefs.²⁹

Another example of how religious freedom is circumscribed and constrained is Falun Gong---a syncretistic amalgam of Buddhism, Hinduism and moral philosophy. Its external funding and internal organizational abilities have evoked severe suppression by the CCP and government which view it as a threat to national unity and Party control.³⁰

The Uigur community of Xinjiang province is another case in point, differing in important respects from the Falun Gong, yet similar in the repressive response that it has evoked from government. The 10-million ethnic Turkic Uigurs are Muslim, and share a border with Islamic Afghanistan.³¹ In their struggle for regional and religious autonomy, the Uigurs have often resorted to terrorism against Beijing, predictably evoking more severe repression in return. However, the responsive repression is primarily directed against the threat posed by Uigur separatism to China's unity and Party control, rather than being directed strictly against Muslim religious practice.

While recognizing these severe restrictions, it's still fair to say that religious liberty in China may be several steps more tolerant than what prevails throughout the Middle East, both among U.S. allies and adversaries in the region. Salafism in Saudi Arabia and Shi'ia Islam in Iran are decidedly more restrictive of religious liberty than is China. Within the Asian region, both highly secularized Japan, and abundantly and freely religious South Korea contrast sharply with the trammels on religion in China. Religious practice in Indonesia is more uniformly Muslim than is any single religious faith in China, but tolerance of other religions is not evidently less in China than in Indonesia. Compared to South Asia, religious freedom in China is not manifestly less than in either India with its predominant Hindu faith, nor in Pakistan and its predominant Sunni Muslim adherents.

Perhaps the most, and the best, that can be said about religious freedom in China is that it is tolerated, although it is not untrammelled.

V Relationships Between Economic, Civil, and Religious Liberty

²⁹ See Chinese language website, see <http://www.gospeltimes.en>

³⁰ See, "Why is Falun Gong Banned?", *New Statesman*, August 18, 2008

³¹ See Michael Forsythe, "On China's Uigur Homeland", *New York Times*, August 1, 2015

How do these liberties relate to each other currently? I suggest three parts of an answer:

First, these liberties are and likely will remain within the framework (or under the “umbrella”) of the CPC’s monopoly of political power. Constraints on political freedom limit the separate scope for economic, civil, and religious liberties. In turn, these liberties are fundamentally contingent on policy formulation, interpretation and implementation by government and the Communist Party. To state the point another way, component liberties---specifically, economic, civil and religious liberties---will wax or wane depending on China’s overarching authoritarian political environment.

Second, with specific reference to economic freedom, sustaining high GDP growth (relative to other countries), although probably at a decreased rate, will be accompanied by a continued rise in personal well-being among the populace (especially in urban areas). This may be expected to ease tensions and discomfort resulting from restrictions on civil and religious liberties.

Third, expansion of civil and religious liberties is unlikely to be substantial in the near- or mid-term future (5-10 years).

How will relationships among the 3 liberties evolve in the next decade or two? Recalling the familiar wisdom of Yogi (not Yoga) Berra: “nothing is more uncertain than the future”, a proper answer to this question is to admit ignorance. That said, herewith three hypothetical scenarios that suggest the spectrum of uncertainties surrounding the question. :

A) Continuity (*more of the same*)

Economic liberty is maintained, perhaps somewhat expanded to embrace “capitalism with Chinese characteristics”.³² It is probably more accurate to describe capitalism in China as more reflective of European characteristics because of a larger and more prominent role of the State sector relative to the private sector in most of the European Union as well as in China (e.g., the state sector is 30-40% of GDP in Europe and China, rather than 20% in the U.S. and Japan). Also, in this scenario, restrictions on other liberties are likely to continue in place, with Xi Jinping remaining at China’s helm, thereby replicating in some respects the Lee Kwan Yew model in Singapore.

³² Coase and Wang, *op cit*, *How China Became Capitalist*; Yasheng Huang, *op cit.*, *Capitalism with Chinese Characteristics*,

B) **Adversity** (*tighter control and repression*)

This scenario may be triggered by domestic circumstances: for example, by further decreases in GDP growth rates, or by tensions and resentments engendered by restrictions on other liberties that spark opposition from the huge numbers of China's digitally-connected populace. Alternatively, tighter-control-and-repression may result from external circumstances, such as frictions with Taiwan and responsive support for Taiwan by the U.S., or by expansion of China's Air Defense Identification Zones (ADIZ) in the East China Sea, or aggressive assertion of sovereignty rights against Viet Nam and the Philippines in the South China Sea, with responsive support from the U.S. for these contesting countries. Another version of this scenario might result from a combination of the internal and external circumstances leading to further tightening of control and repression of the three liberties I have discussed.

C) **Modernity** (*placidity and enhanced liberties*)

While not inconceivable, this scenario is less likely during the next decade than the other scenarios. If and as the CCP's tripwire sensitivity to internal or external challenges recedes, a relaxation of controls and repression applied to the 3 liberties might ensue. The premise of the scenario warrants skepticism, among other reasons because the leadership's core interests, histories, and engrained behavioral patterns are contrary to the scenario's thrust. Still, dramatic, unexpected change has occurred in China's past and may recur to realize the modernity scenario.

An assessment of these scenarios confronts a further complication. Each of them may emerge in ways that are non-linear or non-monotonic. By this I mean they may emerge through a series of ups-and-downs, starts-and-stops, veering in one direction, then transitioning toward another. The future of liberty in China---in general, and specifically with respect to the three liberties---is profoundly uncertain. It warrants study and reflection, both for its own sake and for the effect its progress or regress will have on the rest of the world. And surprise should be expected!

VI Conclusions and TakeAways

- Distinction between **freedom from**, and **liberty to do**

- Economic liberty, 3 reasons for cautious optimism: (a) 3rd and 4th Party Plenums; (b) data on relative performance and GDP shares of private vs. public sector; (c) syllogism linking CCP fear of corruption, to connection between Party corruption and scope of public sector
- Civil liberty: Freedom House ratings for China, second tier of “worst-of-worst” (better than North Korea, Saudi Arabia, equal to Cuba, Crimea since Russian seizure); China’s view of CL animated by opposite view from that of U.S.: not diversity and pluralism, but unity from multiple sources (internet as possible countervailing force)
- Religious liberty: Constitutional guarantee of freedom vs. mandated atheism for 85-million Party members; religious practice acceptable if localized, but not if becomes a “movement”, or is part of external (foreign) Church
- Relationship between economic liberty, civil and religious liberty: Three Scenarios: **Continuity; Adversity; Modernity**