

Ousted by Peking University for his classical liberal views

Chinese Scholar Xia Yeliang Joins Cato

In October of last year, Xia Yeliang was terminated from his position at Peking University. A classical liberal professor at the Beijing research university's School of Economics, the outspoken 53-year-old was notified by a Communist party official several months before that his dismissal was being voted on. As the *Washington Post* reported at the time, "what may have offended party leaders most was an open letter Xia wrote in 2009 criticizing Liu Yunshan, who was then head of China's powerful Propaganda Ministry, for his censorship practices. After he posted the letter, Xia said, university leaders asked him to confess to wrongdoings."

"All universities are under the party's leadership," he told the *Wall Street Journal* in October. Nevertheless, Xia—who was introduced to Milton Friedman's *Free to Choose* early in his professional life—found his calling as an economist, joining the faculty of Peking University in 2000. There he witnessed firsthand the tight grip authoritarianism still held over China's institutions of higher education. "In Peking University, the No. 1 leader is not the president. It's the party secretary of Peking University."

In February, Xia joined the Cato Institute as a visiting fellow in the Center for Global Liberty and Prosperity, where his work will include institutional economics, labor economics, and macroeconomic analysis and public policy. Xia was among the original signatories of Charter 08, a 2008 manifesto that declared "the awakening Chinese citizens are increasingly and more clearly recognizing that freedom, equality, and human rights are universal common values shared by all humankind, and that democracy, a republic, and constitutionalism constitute the basic structural framework of modern governance."

The Institute has long stressed the importance of bringing the ideas of individual liber-

ty, free markets, and peace to what is now the world's largest trading nation. Cato was among the first organizations to hold major conferences in China, helping to expose the nation to the animating principles behind an open and civil society. In 1988 the first of four symposiums, titled "Economic Reform in China: Problems and Prospects," was held in Shanghai. As a front-page story in the

China Daily noted, the event focused on the question "Should China reform its economy step by step or all at once?" Speakers included Nobel laureate Milton Friedman, political scientist Alvin Rabushka, and author George Gilder. The gathering enabled distinguished Chinese and Western scholars to discuss the progress of China's reform movement and consider what kinds of market reforms are essential for further modernization and development.

Communist nations have, of course, exhibited the starkest absence of economic freedoms and civil liberties in the last few decades. The Cato Institute held subsequent conferences throughout China in 1997, 2000, and 2001. "The experts seem to agree about what needs to be done," wrote the *Asian Wall Street Journal*, reporting on the 2001 conference on pension reform in Beijing. "In November . . . there was near-universal agreement that fully funded universal accounts were the way to go. Most important, a consensus among bureaucrats at the Ministry of Labour and Social Security seemed to be spreading."

Moving forward, Cato is taking significant steps to continue working with China through its transition to capitalism. Profes-



sor Hu Chow, who has contributed significantly to the reform of China's financial sector, is a senior fellow at Shanghai Institute of Finance and Law and is expected to join Cato as a visiting fellow this fall. In addition, the Institute will be publishing a book entitled *The Logic of the Market* by Weiying Zhang, the most cited economist in Chinese academic journals since 1995.

"Since 1988, the Cato Institute has helped China promote the fundamental principles of freedom, limited government, and civil society," Mao Yushi, one of China's most outspoken and influential activists, said after the Institute's pension reform conference. "I, as a Chinese liberal, sincerely thank you and wish you further success in advancing liberty and justice throughout the world."

In recognition of his role as one of the pioneers of China's freedom movement, Mao was awarded the 2012 Milton Friedman Prize for Advancing Liberty. Recounting his past sacrifices, he emphasized that the future of limited government ultimately lies with succeeding generations. "In your hands, more than mine, will rest the final success . . . and hopes for liberty of our peoples," he concluded. ■