

# Behind the delay in the Chinese Communist Party Congress

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The long-prepared 16th Congress of the Chinese Communist Party (CCP), at which the Stalinist regime's key leaders of the 1990s are scheduled to announce their retirement, was unexpectedly postponed from September until November 8.

The decision was taken during the annual meeting of China's leaders at the Beidaihe resort in mid-August. According to the official Xinhua newsagency, the delay was to allow the current head of the party, the military and the state, Jiang Zemin, to represent the regime in talks with the US administration during the Asia-Pacific Economic Cooperation (APEC) summit in Mexico during October. But other media reports point to the underlying reason: disagreements over the composition of the new leadership.

The announcement has triggered speculation in the international media that the delay means 76-year-old Jiang will not step down at the 16th Congress and hand over to 59-year-old vice-president Hu Jintao—the man named as Jiang's successor by former Chinese leader Deng Xiaoping. The *Far Eastern Economic Review*, for example, featured Jiang on the cover of its September 12 issue, with the headline "On second thought, I think I'll stay".

Undoubtedly personal power and ambition play a role in the wrangling over the leadership change. The volatile international situation produced by the US preparations for war on Iraq may also be a consideration. But the main disputes in the Stalinist bureaucracy revolve around how Beijing will navigate the immense, and potentially highly explosive, tensions being generated by the rapid growth of social inequality in China.

It is more than two decades since the CCP under Deng Xiaoping began reviving capitalist relations in China and 13 years since the Tiananmen Square massacre sent a signal to international capital that Beijing would brutally suppress any opposition by the working class. The massive flood of foreign investment in the 1990s has transformed China into one of the main manufacturing centres of the global economy, and created a vast gulf between rich and poor. A narrow layer has acquired staggering levels of wealth and property at the expense of tens of millions who have fallen into poverty.

As a consequence, the regime can no longer claim, as it did following the 1949 overthrow of the Kuomintang government, to be bringing greater equality and prosperity to the Chinese masses. Deng Xiaoping's refrain that "some must get rich first" has turned out in reality to mean only a few will ever get rich. Chinese

Stalinism has produced a society that replicates all the corruption, nepotism and bureaucratic repression that marked the Kuomintang. State assets have been sold off to party officials or their families, enabling the children of leading political figures to emerge as some of the country's richest and most powerful businessmen. In the major cities and special economic zones, state officials function as the partners of foreign investors, with the brutal exploitation of workers enforced by the police, the military and the state-controlled trade unions.

The next stage of China's economic transformation, associated with its entry into the World Trade Organisation (WTO), will drastically widen the already grotesque level of inequality. Among the most sweeping measures will be the opening up of agriculture and a range of other industries to foreign competition. At least 20 million peasants are expected to be driven off the land under conditions where rural China is already in a state of upheaval. The income of the peasantry has stagnated throughout the 1990s and is now only one-third the urban average. There are an estimated 150 million "surplus labourers" in rural China, eking out a desperate existence through casual work. As a result, tens of millions of younger rural Chinese are flooding into the cities looking for jobs in the free economic zones or private industries.

One analyst told Reuters on August 19: "If there's one statistic that has to be keeping Zhu Rongji up at night [China's premier and the main architect of economic policy], it has to be that the gap between urban and rural income is now wider than it was in 1949." There are regular reports of rural protests, particularly over taxation and the rampant corruption and privileges of the wealthier peasants, as well as party and government officials.

In China's cities, discontent is also pervasive. The privatisation and restructuring of state-owned industries has caused mass urban unemployment, particularly in the north-eastern provinces. This year's annual Green Book, published by the state-run Chinese Academic of Social Sciences (CASS), warned that China's urban unemployment rate had passed the seven percent danger mark. It warned that social unrest was "inevitable" as "people's tolerance reaches the limit".

An economist at Beijing University told the Singapore-based *Straits Times* on June 15 that the Green Book vastly "understated" the real situation: "China's urban unemployment has already overshot by two times the red mark and rural unemployment has passed that line several times."

As the CCP loses legitimacy in the eyes of the working class and

rural poor, there has been mounting pressure to refashion the state apparatus in order to consolidate support among the social layers who benefit from its policies—the businessmen, the wealthy and the urban middle classes. This has found its clearest expression in Jiang Zemin’s “Three Represents” theory calling for a change in the CCP constitution to facilitate and actively encourage entrepreneurs and property owners to join the party. The rule change is one of the main items on the 16th Congress agenda. If Jiang’s doctrine is formally adopted, the CCP will allow prominent businessmen to openly assume government posts.

Agitating for the “Three Represents,” the *Peoples Daily* editorialised on July 16 that the coming congress would be “undoubtedly a steep veer from the traditional political and ideological orientation [of the CCP] and also another bold step to increase the social profile of the non-state economic sectors.” Far from being a fundamental shift, the latest “theory” is the logical outcome of the Stalinist policies, as enunciated by Mao Zedong, which advocated a national road to development in alliance with sections of the capitalist class.

The campaign to carry through a refashioning of the party’s image has generated factional conflicts over the leadership change. A layer of the bureaucracy, centred on a former state propaganda boss, Deng Liqun, has raised concerns that openly embracing wealthy businessmen will further alienate the CCP from the mass of the population. But the main source of tensions centres on the possibility that the new leadership under Hu Jintao could go too far in making democratic concessions to shore up the regime’s position.

Figures in the proposed new leadership are associated with former party general secretary Zhao Ziyang, who was removed from his position in May 1989 for opposing the use of the force to put down the student demonstration in Tiananmen Square. The most prominent is the likely next premier, Wen Jiabao, who was consigned to the political wilderness for much of the 1990s. Zhao Ziyang, Wen and others advocated meeting the demands of the students for more liberal press freedoms and a greater role in government. Their perspective was to harness the urban elite created by free market policies and use them as a buffer against the opposition of the working class.

Deng Xiaoping and the military, however, removed Zhao as party leader and sent troops into Tiananmen Square, fearing that any concessions to the students would only open up broader opposition. Thousands of workers had already entered into political struggle, raising demands against the state bureaucracy and the inequality resulting from the pro-market policies. Working class organisations had begun springing up in a number of other cities.

The debate over “democratic reform” has not only continued but intensified, amid concerns over the reliability of the peasant-based army. Since 1949, the CCP has drawn its main support from the countryside and military, which is overwhelmingly comprised of peasant conscripts. In 1989, it was army units from rural regions that were called upon to enter Beijing and suppress the working class. The growing turmoil in the countryside has raised doubts as to whether the army could be so readily ordered to crush protests by workers again.

There are concerns that the new leadership could try to win broader political support by repudiating the official stance justifying the Tiananmen Square massacre and distancing itself from the policies of Deng Xiaoping and Jiang Zemin. These fears have been heightened by unprecedented public accusations of corruption against Li Peng, China’s premier in 1989, who gave the official order to suppress the protest movement and is currently the powerful chairman of the National Peoples Congress.

At stake are not only the careers and fortunes of state officials and military commanders who were directly involved in the massacre, but far broader issues. Under the present conditions, the military and police apparatus fear that any appeal to popular dissatisfaction, particularly over an issue that has such deep resonance as the Tiananmen Square events, could unleash a movement on a far greater scale.

As the date for the Congress approached, these concerns found expression in a campaign for Jiang Zemin to continue, at least as the head of the military command—the Central Military Commission. In 1989, Deng Xiaoping used his control of this institution to override Zhao Ziyang’s concessions and to set the crackdown in motion.

A Chinese academic noted in the journal *Independent News* that before the Beidaihe meeting, Jiang had encouraged his supporters “to write letters appealing for him to continue for the sake of political stability”. The *Peoples Liberation Army Daily* editorialised in early July that Jiang was the “core” of the government. A Xinhua comment on August 1 lauded Jiang for “building of the Chinese armed forces into a modern, standard and revolutionary army, amid enormous political changes in the world”.

Whether or not Jiang Zemin retains any political posts appears to be incidental to this agitation. Its main purpose is to extract guarantees from those who will become the “fourth generation” leadership—after Mao, Deng and Jiang—that they will limit reform to the “Three Represents”.

Since the postponement of the Congress, Hu Jintao has been giving his commitment. In a widely publicised speech at the beginning of September, he declared the axis of the 16th Congress to be “Deng Xiaoping theory”, the “Three Represents” of Jiang Zemin, reform, development and pointedly, stability. Jiang Zemin, and by association all those responsible for the bloody suppression events of 1989, is being elevated to the status of a venerated, and therefore untouchable, icon of the state.

This is the real dynamic behind the delay of 16th Congress. Before the composition of the new leadership is decided, sections of the bureaucracy and the military require reassurance. Until they have received it, Jiang Zemin has to remain for a little longer.



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