

A profile of the new leadership in Beijing

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The 16th National Congress of the Chinese Communist Party (CCP) concluded on November 14 with the inauguration of a new central leadership and changes to the Stalinist party's constitution to formally remove previous claims to represent socialism and the working class.

The constitutional amendments enshrine the "Three Represents" theory of retiring party leader Jiang Zemin, who has now been elevated in the pantheon of Stalinist leaders to a status comparable to that of Mao Zedong and Deng Xiaoping. Jiang, a long-serving party bureaucrat, was installed as leader during the brutal suppression of anti-government demonstrations in Tiananmen Square in May-June 1989.

The new constitution allows owners of capital to become party members and eliminates passages such as "socialist society will inevitably replace capitalist society". The clause defining the CCP as "the vanguard of the working class" was altered to "vanguard of the Chinese nation".

The amendments are in line with Beijing's open embrace of capitalism. The policy speeches delivered during the congress stressed the CCP's commitment to the free market and to the terms agreed to for China's entry into the World Trade Organisation (WTO).

Restrictions on foreign transnationals purchasing a majority stake in the 500 largest semi-state owned corporations will be lifted, including in the "strategic sectors" such as energy and natural resources. The congress also agreed to abolish requirements that partially state-owned companies provide services to their workforce, such as healthcare and housing.

Jiang Zemin declared the banking system and interest rates would be deregulated "to leave them to market forces". New cheap labour "special economic zones" and other concessions to attract more foreign investment into China were discussed. The introduction of full private ownership of land in the countryside was also canvassed.

As a byproduct of the "Three Represents", the congress elected some of the country's most powerful businessmen to the Central Committee, including Zhang Ruimin, the CEO of Haier, China's major appliance manufacturer, and Ma Fucai, the head of the Wall Street-listed oil giant PetroChina.

The nakedly capitalist agenda was warmly received internationally, by the US in particular. Secretary of State Colin Powell told the media on November 18 that China's "iron curtain" no longer existed. The major transnational companies and investment funds—including ones linked into the inner circles of the Bush administration—stand to make huge profits as a result of China's opening up to investment and the firesale of the larger

state enterprises.

As the US-based *Newsweek* noted: "President Jiang's US-educated son, Jiang Mianheng, has been dubbed China's 'prince of information technology' because of his involvement in a number of Shanghai-based ventures, including one that briefly counted Defence Secretary Donald Rumsfeld among its investors."

The CCP Congress was intended to send a clear message. It is an organisation committed to defending the property and wealth of both foreign capital and China's new business elite and, as in May-June 1989, will not hesitate to suppress any opposition from the working class and peasantry.

Along with Jiang, the majority of the so-called "third generation" of CCP leaders—after Mao Zedong and Deng Xiaoping—officially retired from leading party, government and military posts due to their age. These included Li Peng, the chairman of the National People's Congress (NPC) and Zhu Rongji, the premier since 1998 and architect of the free market measures connected to China's WTO entry. Dozens of other senior officials and generals who proved their loyalty in 1989 by taking part in the crackdown on workers and students also stepped down.

The old guard will not immediately relinquish control over government policy and the military and security apparatus. Jiang was re-elected as chairman of the party's Central Military Commission (CMC) that controls the army—the key linchpin of the regime. Significantly the congress also expanded the all-powerful Politburo Standing Committee, which effectively determines party and government policy, from seven members to nine and stacked it with seven close allies of Jiang and Li Peng.

As expected, the congress elected 59-year-old Hu Jintao as Jiang's successor to the position of general secretary. Hu, a protégé of Deng Xiaoping, was inserted in the central leadership in the early 1990s and has been groomed to replace Jiang ever since. Defining the CCP's policy agenda, Hu pledged that he would guarantee "stability," fully implement Jiang's "Three Represents" and "continue to push forward China's reform and opening up".

Hu Jintao, who is also set to take over as China's president, has close connections with the new Chinese capitalist class. He was part of the generation that rose to prominence in the decade of the 1980s, taking advantage of the market reforms initiated after 1978 to—in Deng Xiaoping's words—"get rich".

By the mid-1980s, Hu headed the Young Communist League, which was composed largely of the children of party officials, who used their political connections to plunder the Chinese economy and acquire property and wealth. The hostility of workers to this social type is embodied in the term commonly used to describe

them—the “princes”.

As party boss in Tibet in 1988, Hu proved his ruthlessness by crushing pro-independence protests. In 1989, he was the first provincial governor to endorse the imposition of martial law to suppress the demonstrations of students and workers in Tiananmen Square and other cities. He was appointed to the Standing Committee in 1992 and took charge of developing party policy.

Hu’s lack of any links to the 1949 revolution, his avoidance of Stalinist jargon and his wholehearted support of free market policies have won him a following among layers of the affluent middle class and a base within the CCP. In the early 1990s, Deng publicly anointed Hu as Jiang’s successor and threatened to replace Jiang when the opening up of the Chinese economy appeared to be slowing.

While he has taken the top post, Hu is, however, confronted with a Standing Committee that is stacked with potential rivals, who owe their allegiance to the old guard. The new leadership appeared before the international media on November 14—the line-up of the eight new leaders behind Hu Jintao indicating the ranking of each in the bureaucratic hierarchy.

Vice Premier Wen Jiabao, who is ranked number three and is expected to succeed Premier Zhu Rongji, is Hu’s only close ally in the new central leadership. Also 59 and a zealous advocate of capitalism, Wen was elevated by Zhu in the late 1990s to oversee the free market restructuring in rural China to prepare for WTO entry. He has directed policies that have resulted in the driving of millions of poor peasants from their land.

Wen, however, is regarded with suspicion by many of the old guard because of his previous affiliations with former general secretary Zhao Ziyang, who in 1989 advocated using Gorbachev-style “political reforms” to placate the mass unrest. Zhao was removed from his post and placed under house arrest by Deng Xiaoping.

Hu Jintao was unable to secure a position for another close associate, Li Ruihuan, a member of the previous Standing Committee and the chairman of People’s Political Consultative Conference. Despite being only 68, he was forced out by Jiang and powerful sections of the military and bureaucracy in order to weaken Hu’s position and retain tight control over the Politburo Standing Committee.

Li Ruihuan, Hu, Wen and others have been tentatively attempting to revive the idea of token democratic reforms to placate the rising discontent and opposition to the government’s free market policies. The fear among the old guard is that the new leaders may decide to openly repudiate the Tiananmen Square massacre and those, like Jiang and Li Peng who were responsible for carrying it out.

Of the remaining seven members of the new Standing Committee, six are closely identified with Jiang.

Number two in the pecking order is 60-year-old Vice Premier Wu Bangguo, who after proving himself as the party boss in Jiang’s factional base, Shanghai, was placed in charge of restructuring state-owned industries and oversaw the layoff of over 40 million workers during the past five years. Wu is expected to be elected chairman of the National Peoples Congress when it meets next year.

Jia Qinglin, the 62-year-old party secretary of Beijing, is ranked number four. Jia is best known for the allegations of corruption levelled against his family. He was party boss of Fujian province when a huge smuggling racket developed in the free trade zone of Xiamen. Protected by city, military and customs officials, the Yuanhua consortium smuggled an estimated \$US9.5 billion in goods into China via Xiamen. While fingers were pointed at Jia when it was exposed in 2000, Jiang protected him and his family from investigation.

Number five is 63-year-old Zeng Qinghong who is believed to have far more influence than his formal position indicates. Zeng was Jiang’s closest advisor and rose through the party hierarchy with his backing. He is believed to be the co-author of “Three Represents” and other key policies, such as the crackdown on the Falun Gong religious movement in 1999. He is now in charge of the powerful Central Committee Secretariat, running the day-to-day affairs of CCP organisation.

Numbers six, seven and eight are also Jiang loyalists who have enforced Beijing’s authority over the key coastal provinces, where most international investment and economic growth has been concentrated. Huang Ju, 63, was handpicked by Jiang to promote Shanghai as the centre of Chinese capitalism and a competitor to Hong Kong and Taiwan. Wu Guanzheng is the former party boss from the booming eastern coastal province of Shandong and Li Changchun was head of government in China’s major export province, Guangdong.

The only Li Peng protégé is Luo Gan, 66, number nine in the lineup and chief of the CCP’s security apparatus. As the director of the regime’s “law and order” campaigns, Luo has concentrated the para-military Peoples Armed Police in the major urban centres. He has also overseen attempts to control the use of the Internet, by establishing a network of up to 30,000 spies and informers who monitor bulletin boards, publications and email.

Two days after the congress, the *People’s Liberation Army Daily* signalled the military’s crucial support, by hailing the “fourth generation” leadership of Hu Jintao and declaring the loyalty of both the army and the armed police.

Whatever their factional allegiances and tactical differences, the new leaders share a commitment to the capitalist market, to opening up China to foreign capital and to implementing restructuring policies that have created a widening gulf between a small affluent elite and the vast mass of ordinary workers and peasants. Their common fear is that the regime will be engulfed by an eruption of discontent that will dwarf the protests of the 1989. Their individual histories demonstrate their willingness to use the most ruthless methods to cling on to power and shore up their political bankrupt regime.



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