

# Chinese Communist Party to declare itself open to the capitalist elite

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The 16th National Congress of the Chinese Communist Party (CCP), which has been meeting in Beijing since November 8, is set to formally open party membership to China's business elite. Before the congress concludes on November 14, its 2,114 delegates from across China will elect a new 200-member Central Committee, a 21-member Politburo and an all-powerful seven-member Politburo Standing Committee that will be responsible for removing the few remaining barriers to the untrammelled capitalist exploitation of the Chinese masses.

On November 7, a 236-member preparation committee, headed by vice-president Hu Jintao—the heir apparent to the party leadership—announced that the “Three Represents” theory of current general secretary Jiang Zemin would be the theme of the congress. Jiang's theory calls for the abolition of a clause in the CCP's constitution that officially prohibits private businessmen from becoming party members and serving in the government.

The removal of the clause is intended to bring the CCP constitution into line with the reality of the party's character and social composition as it prepares to accelerate market reforms. In a rambling opening address to the congress, Jiang articulated the class interests of the new Chinese elite. He called for the Beijing regime to “persevere” in opening up to the capitalist market and declared the CCP should protect the “legitimate rights and interests” of businessmen and property owners. His speech drew thunderous applause.

The formal opening of the CCP to business layers represents a turning point. However, the orientation of Chinese Stalinism towards the capitalist class emerged long before Jiang's declarations. As early as the 1930s, Mao Zedong rejected the international socialist perspective of Marxism and declared the aim of the CCP to be the establishment of a “bloc of four classes”—a regime that included sections of the Chinese capitalist elite. Mao's successor, Deng Xiaoping, opened China to the capitalist market in 1979 and actively sought investment from the émigré Chinese bourgeoisie in Hong Kong and Taiwan.

The fact that Jiang's “theory” formalises what has already emerged was highlighted by this year's *Forbes* magazine list of China's 100 richest multi-millionaires. A quarter declared they were CCP members. Most Chinese CEO's of private

companies or transnational corporations also have party connections. Jiang's eldest son, for example, heads the country's largest telecom firm, China Netcom, which was split off from a former state-owned communication operation and sold to private interests. During the 1990s, tens of thousands of state-owned enterprises were either bankrupted or privatised to facilitate the growth of private capital.

The *Washington Post* noted on the opening day of the congress: “With its pro-growth policies, ban on independent trade unions and low environmental standards, the [CCP] government has created an advantageous atmosphere for the economic elite to make money. Policies so favor the rich and business that China's economic program, in the words of one western ambassador, resembles ‘the dream of the American Republican Party’”.

*New York Times* columnist Joseph Kahn commented on November 10: “After a 20-year transition, the world's last major left-wing dictatorship, the Communist Party of China, has transformed itself. It is now, arguably, the world's last major right-wing dictatorship.”

By openly proclaiming itself a party of the “economic elite” that has benefited from its free market agenda, the CCP is hoping to consolidate a reliable base of support for its continued rule. Among China's rural peasantry and the industrial working class, a seething hostility is building up over official corruption, poverty, the loss of services, unemployment and the widening gap between rich and poor.

According to the Hong Kong Centre for Human Rights and Democracy, an estimated 200,000 demonstrations took place last year against government economic and social policies. Even as the congress convened, human rights groups reported that 1,000 laid-off steel and textile workers in north eastern China were protesting against unemployment in Liaoyang, the capital of northeastern Liaoning province, while brewery workers demonstrated in Changchun, Jilin province, against the corrupt sale of company land to state officials.

By any objective measure, class tensions across China far exceed those in the months leading up to the mass anti-government demonstrations that were brutally suppressed on June 4, 1989, in Beijing's Tiananmen Square. In a paper titled, “The most serious warning: The social unrest behind the

economic prosperity,” Hu Angang, the leading economist for the official Chinese Academy of Social Sciences, warned in August that “China was on the eve of an uncontrollable crisis like an earthquake or volcanic eruption”.

The real rate of urban unemployment is estimated to be 10 percent and is predicted to rise to 15 percent. By official estimates, 12 percent or 37 million people fall under the category of “urban poor”. There are an estimated 150 million “surplus” workers in the countryside eking out a marginal existence.

Over the next five years, these tensions will dramatically heighten as the government implements the far-reaching economic restructuring required by the terms of its entry into the World Trade Organisation (WTO). The business elite view the WTO as the means to attract new foreign direct investment and greater access to Western markets for Chinese exports. For millions of poor peasants, it will mean being driven off the land by cheap agricultural imports. In urban areas, many more jobs will be eliminated as foreign companies are allowed access to China’s previously protected markets.

According to a report in the November issue of the Hong Kong based political journal *Cheng Ming*, Chinese premier Zhu Rongji warned senior officials in a four day-long State Council meeting in mid-October that the CCP is facing serious challenges from below as it carries out the WTO agenda.

Zhu reportedly said: “The economic situation and social contradictions are increasingly sharp and explosive; the party has not controlled corruption; the laid-off and unemployed millions are denouncing the government and the Communist Party; the peasants are facing heavy burdens and want to rebel. The political crisis can erupt at any time if these three major problems cannot be solved properly and on time. Otherwise, it will not be only a few cities, but thousands and millions marching on the streets demanding the downfall of the Communist Party.”

This prospect underlies the formulation of “Three Represents” and its adoption by the CCP Congress. After several years of factional debate within the CCP, a consensus has emerged that the lesson to be drawn from the Tiananmen events is that the regime must build a solid base among the urban upper and middle-classes, while making no democratic concessions to the masses.

Commenting on the sentiment of the political establishment, Chinese sociologist Kang Xiaoguang wrote in the influential state journal *Strategy and Management* earlier this year: “There is a stable alliance between the political, economic and intellectual elite of China. The main consequence is that the elite won’t challenge the government. The economic elite love money, not democracy. Their vanity will also be satisfied as the party has promised them party membership and government positions.” He noted the government believed it could weather the opposition of workers and peasants by keeping them like “scattered sand,” lacking any national organisation or coherent

political program.

The selection of the new party leadership at the present congress is being guided by such criteria. Due to their age, the three main Chinese leaders must retire—general secretary and president Jiang; National Peoples Congress chairman Li Peng; and premier Zhu. Of the seven members of the current Politburo Standing Committee, only vice-president Hu Jintao is expected to continue in an official post.

Whatever the final composition of the new leadership, the names being suggested indicate that the exiting leaders intend to retain, at least for the coming years, their influence over decision-making and command over the military.

Rumours are rampant that Li Ruihuan, the president of the Peoples Political Consultative Committee, is expected to resign from the Politburo even though he is eligible to remain. In the Machiavellian world of Chinese Stalinism, his departure can only mean he has fallen out of favour with the state and military hierarchy. For several years, he has publicly advocated a weakening of the CCP dictatorship and the introduction of token democratic reforms such as allowing non-CCP organisations to be formed.

Hu Jintao, a protégé of Deng Xiaoping and ruthless defender of the CCP dictatorship, is almost certain to become the new party boss and also be declared China’s president next March when Jiang steps down. Joining him in the Standing Committee as the new premier and in charge of economic policy will be Wen Jiabao, who is known in international financial circles as a committed proponent of the wholesale deregulation and opening up of the Chinese economy.

The other members are likely to be close political associates of Jiang or Li Peng. Four Jiang associates have been named: Zeng Qinghong, the head of the party apparatus under Jiang; Jia Qinglin, party boss in Beijing; Huang Ju, party boss in Jiang’s base Shanghai; and vice-premier Wu Bangguo. Luo Gan, a figure close to Li Peng, the military and the police, is expected to take the final seat.

The “Three Represents” and the touted leadership provide a clear anticipation of how the Chinese regime intends to try to survive. The CCP is more openly fashioning itself as the instrument of a developing Chinese capitalist class, which hopes to continue to profit as the junior partner of the major transnationals in the exploitation of the country’s cheap labour and natural resources.



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