

SARS and the “openness” of the Beijing leadership

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The longer the crisis in China over the outbreak of serious acute respiratory syndrome (SARS) proceeds, the more evident it becomes that the epidemic has become a key issue in the factional struggles of the Stalinist bureaucracy. In the name of instituting “openness” and “political reform”, the new leadership of President Hu Jintao and Premier Wen Jiabao is seeking to consolidate its grip over the state apparatus.

Hu and Wen were just as culpable as the rest of the leadership in initially covering up the extent of the SARS outbreak and failing to take preventative measures. But in mid-April, Hu instructed the state-owned media to “report honestly” on SARS as part of a belated effort to control the epidemic. State-controlled China Central Television (CCTV) carried a formal acknowledgment of the previous cover-up and the sacking of the former health minister and Beijing mayor on April 20.

“This was a break from the past, as you can imagine,” Sheng Yilai, a director of CCTV told the Singapore-based *Straits Times* on May 17. “In the past, we would only report the good and keep out as much bad news as possible. But this is changing. The media is operating in a new environment.”

The former health minister was close to military leader and former president Jiang Zemin. He was replaced by Vice-premier Wu Yi—a protégé of former premier Zhu Rongji’s and a favourite of international financial circles—to supervise the ongoing national campaign against SARS. More than 150 officials have now been purged over similar allegations for covering up or failing to halt the further spread of the disease.

To date 5,249 SARS cases have been reported in China including 317 deaths. Despite continuing concerns over possible outbreaks in impoverished rural areas, on May 23 the World Health Organisation (WHO) lifted its travel advisory to Hong Kong and neighbouring Guangdong province because of the government’s intensive efforts to contain the disease in these major southern economic centres.

As part of the new “openness”, official recognition has been accorded to Jiang Yanyong, the 72-year-old former director of the People’s Liberation Army No. 301 Hospital in Beijing, who first exposed the extent of the SARS cases to the international press. In the official Xinhua news agency on May 16, Jiang declared he was “free of pressure or threat”. But in comments for which he could have been arrested not so long ago, he

added: “In China, we have told too many lies for too long. All I did was tell the truth. I did nothing special.”

Hu is obviously encouraging such comments, while at the same time making sure that the broader population does not take advantage of the new “openness” to press their demands. Hu and his supporters are seeking to direct public anger over the regime’s oppressive methods against the old leadership of Jiang Zemin in order to pursue a far-reaching agenda of political reform in the interests of Chinese and international capital.

The international media has been quick to sense the shift and work out where the interests of global capital lie. Hu Jintao was hardly known to the Chinese public, let alone the foreign press, when he took over as Communist Party secretary last year and then as president in March. Now he is suddenly being hailed as a new world leader defending democratic rights and freedom of the press against the opposition of his repressive predecessors.

A comment in the *New York Times* on May 12 was typical: “With his vigorous, if belated, counterattack against the disease, Mr Hu appears to be consolidating his grip on the party and government much more quickly than many experts expected. When he succeeded Jiang Zemin in November, Mr Jiang packed the ruling council with his protégés and stayed on as chairman of the military, and seemed a genuine rival for supreme authority.”

The newspaper cited the comments of Social Survey Institute of China director, Li Dongmin, who said that the balance in the Beijing bureaucracy was now favourable to Hu. “For the government to be so open about an ongoing crisis is unprecedented. I hope it’s a step forward to a more open society. You can sense this at internal meetings, where the atmosphere has changed and people are expressing criticisms more freely. The SARS epidemic is forcing us to rethink the whole theoretical framework for government that was developed under Jiang Zemin,” he said.

The *Financial Times* also noted on May 27: “Unlike Jiang Zemin, the outgoing president, and his supporters [Hu and Wen], have appeared business-like, open and willing to adopt modern management techniques.”

China’s so-called democracy movement also demonstrated its political colours with its main journals signalling their

enthusiastic support for Hu Jintao. The May issue of the Hong Kong-based *Open Magazine* declared that the new leadership's response was "the opening of a new chapter of information transparency and freedom of press." Another journal *Chengming* enthused that Hu's political reform was the "only alternative" for creating democratic capitalism in China.

According to these so-called democrats, "political reform" handed down from the top amounts to genuine political freedom for the Chinese masses. In fact, Hu Jintao's reform is aimed at "freedom" for Chinese and foreign capitalists to pursue their profit interests without interference or constraint by the state.

Over the last two decades, Beijing has implemented extensive market reforms. Former president Jiang Zemin elaborated his so-called theory of "Three Represents", which was the basis for last year's changes to the Communist Party constitution to allow private businessmen to become members. The new leadership wants to go further.

The May 23 issue of the US-based *Business Week* commented favourably on the new rights being accorded to private capital. "In China, there are now more and more private [business] owners. They will ask for more laws, freedom, and property-right protection—the crux of liberalism. They have wealth, and to achieve their own aim, they will try to attract and protect ordinary people. This class will represent a new power group in China that balance the Communist Party....[It] is evidence that the government [of Hu and Wen] is responding to this power group."

This was the criterion for an experiment in "political reform" that was carried out in the Shenzhen special economic zone in January. The project involved competitive elections for local official posts and other token measures including limited independence for local legislatures to supervise budgets and make appointments. Most of the office holders are local businessmen.

Like the new "openness" over SARS, the aim of the "political reform" is to reestablish high levels of foreign investment in the country. In the first three months of the year, prior to the alarm over SARS, \$13 billion of foreign investment poured into China.

But executives from major transnational corporations, like Motorola Chief Executive Chris Galvin and Boeing's Phil Condit, have cancelled their trips to China. In southern Guangdong province—China's major export zone—foreign orders are down by 15 to 20 percent.

At the same time, the government has recorded a huge budget deficit of \$46 billion, equivalent to 3 percent of GDP, mainly due to increased medical spending and huge tax cuts for business. In order to try to rein in the deficit, Beijing announced on May 23 that the newly established State Asset Management Commission will privatise 99 percent of the remaining 170,000 state-owned enterprises, leaving only 196 companies in government hands.

Far Eastern Economic Review commented: The China's industrial powerhouse is also a fragile, developing economy that needs to provide jobs for tens of millions of workers thrown out of state-sector jobs. Bad bank loans threaten the stability of the financial system, and the government—suddenly put on notice that it needs to spend hugely to shore up its medical system—also needs to ensure that pensions are paid and social tensions kept from the boiling point."

Far from preventing social tensions reaching "boiling point", further privatisation will only throw millions more workers out of jobs. Already there are widespread struggles by unemployed workers, poor farmers and others for financial assistance and against official corruption. They are not met with "democracy" but with police repression. The working class is deprived of all basic democratic rights: there are no independent trade unions, all public protests are outlawed and opposition to the regime is brutally suppressed.

Behind the façade of "openness" and "political reforms" there is every indication, that Hu and his supporters are using SARS to bolster the state's repressive measures. Anyone suspected of disrupting public order or "spreading rumours" about SARS faces harsh punishment. Tens of thousands of people have been forcibly quarantined for any flu-like symptoms.

A new quarantine law has been introduced allowing courts to impose the death penalty on those "who deliberately spread SARS." The Xinhua news agency reported on May 21 that a former SARS patient, who had escaped from a hospital in Henan province, was arrested by the police. He is likely to be jailed for at least 10 years and could be executed under the new law.

A significant indication as to how these new regulations may be exploited took place during a high profile court case involving the sentencing of two Chinese workers' leaders Yao Fuxin and Xiao Yunliang earlier this month. They had already been found guilty of "subversion" at a previous hearing, for organising peaceful protests of retrenched workers in northeastern China last March.

The police, the courts and the Beijing leadership were all keen to prevent the case from receiving any publicity. It was held inside a jail and the only outside observers were two family members. At the last minute, the defence lawyer, Mo Shaoping, was served with an official notice—he had to undergo a compulsory quarantine of 10 days as a suspected SARS carrier. In the absence of their legal counsel, the two men were sentenced to harsh prison terms—Yao to seven years and Xiao to four years.



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