

Signs of leadership infighting ahead of Chinese Communist Party congress

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Factional manoeuvring appears to be intensifying ahead of the 17th national congress of the Chinese Communist Party (CCP) due to begin on October 15. The gathering of more than 2,200 delegates, which occurs every five years, will elect new members to the central leadership under general secretary Hu Jintao, who is also the country's president and chairman of the powerful Central Military Commission.

Hu took over as party leader from former president Jiang Zemin at the previous congress in 2002, but the CCP's powerful Politburo continued to be dominated by Jiang's supporters, particularly based in Shanghai. Five years later, Hu and his backers want to consolidate their grip over the state apparatus and army. This factional struggle is not simply a change of personnel, but reflects sharp tactical differences within the Stalinist bureaucracy over economic policy and political direction.

Prior to his departure for the Asia-Pacific Economic Cooperation (APEC) forum in Sydney in early September, Hu replaced five key ministers, including Xu Yongyue, who had been minister of state security for a decade. Others removed included finance minister Jin Renqing, personnel minister Zhang Bolin and Zhang Yunchuan, minister in charge of the state commission of science, technology and national defence industry. Li Zhilun, who was in charge of the supervision ministry, died recently. The editor of the official Xinhua news agency was also replaced.

Most of these posts are important for control over the party and government. The minister of state security runs the country's political police who are responsible for suppressing continuing protests and political opposition groups as well as engaging in international espionage. The supervision and personnel ministries oversee the huge bureaucratic apparatus that manages every level of government. The finance ministry controls the purse strings and Jin Renqing's departure, amid rumours of scandal, is one more sign of behind-the-scenes factional intrigue.

Jiang reluctantly handed over to Hu in 2002. Hu replaced Jiang as president in 2003 but only took over the key position of chairman of the Central Military Commission in September 2004 after an internal tussle. The immediate issue at stake was the 1989 Tiananmen Square massacre in which troops killed hundreds, if not thousands, of protesting Beijing workers and students. Jiang, who came to power in 1989, was bitterly opposed to any reinterpretation of the official stance toward the protesters as a "counter-revolutionary rebellion". He and his supporters were not only concerned for their own reputations but that any easing might

open the door for social unrest.

As longstanding members of the Stalinist regime, Hu and members of his "Communist Youth League" faction were not opposed in principle to the use of violent repression. In the subsequent five years, Hu has not hesitated to authorise the use of police violence to break up protests, and maintains blanket censorship over the media, the Internet and all forms of political dissent. However, he advocates a form of mild political liberalisation as a means of building a political base among China's emerging middle class and to forestall a social explosion.

A critical issue at the upcoming congress will be the composition of the CCP's supreme nine-member Politburo Standing Committee. When he was installed in 2002, Hu's only close ally was Premier Wen Jiabao—the others were Jiang's protégés. Already there is speculation that Hu will substantially alter the committee's make-up. A list obtained last month by the Hong Kong-based Information Centre for Human Rights and Democracy indicated that only four of the nine would keep their positions—Hu and Wen along with Wu Bangguo and Zeng Qinghong.

Wu Bangguo is number two in the party hierarchy and chairman of the Standing Committee of the National Peoples Congress (NPC). While he comes from Jiang's stronghold in the CCP apparatus in Shanghai, Wu appears to have accommodated to Hu over the past five years. Vice President Zeng Qinghong, who controls the party's personnel appointment and organisation, is also strongly connected to the Shanghai clique, but seems to have been playing a conciliatory role, smoothing the transition from Jiang to Hu. He has a strong base among the children of the senior CCP leaders, known in China simply as "the princes".

The five being replaced are all Jiang's supporters. Vice Premier Huang Ju died suddenly in June. Luo Gan, the party's "law and order" man, and Wu Guangzheng, in charge of "party discipline", are stepping down due to age. With scandals swirling in the background, Li Changchun and Jia Qinglin, who at 63 and 67 respectively are both comparatively young by CCP standards, will step down for "health reasons" or corruption allegations.

Among their probable replacements, several are significant. Li Keqiang is just 52, a leading figure of the "Communist Youth League" faction and the party boss of northeastern Liaoning province. He is the most likely heir apparent to Hu, who has to step down at the next congress in 2012. Two of the likely new figures, Zhang Dejiang, the provincial party secretary of Guangdong, and Zhou Youngkang, the minister of public security,

are believed to have close ties to Jiang, ensuring the Shanghai clique retains a degree of influence.

The most significant sign of Jiang's waning influence was the eruption of a major corruption scandal last year, which centred on the Shanghai party organisation. Shanghai party boss Chen Liangyu was finally dismissed last September and charged with lending 3.2 billion yuan (about \$US400 million) in pension funds to "illegal entrepreneurs". A number of other Shanghai officials and businessmen were also investigated or detained over the scandal. Hu took the opportunity to place one of his own supporters, Han Zheng, in charge of the Shanghai party machine.

Behind the factional brawling were sharp differences over economic policy. Concerned at rising unemployment, Jiang Zemin encouraged unfettered economic growth in the 1990s, leading to a wave of speculation and profiteering. Hu, however, sought to rein in the growing dangers of overcapacity, inflation and speculative bubbles in property and shares by imposing "microeconomic controls". In Shanghai, one of the centres of free-wheeling capitalism, local party bosses and businesses resisted. Hu used the scandal not only to install his own loyalists but also as a sharp warning to other opponents.

More fundamentally, the differences over economic policy are motivated by a shared fear over the dangers of a social and political explosion in China. None of the social contradictions that produced the 1989 protests has been resolved. China's emergence as a vast global sweatshop has created a far larger working class than in 1980s, while the penetration of the market relations into rural areas has deepened social divisions among the peasantry. Beijing's "user-pay" reforms in education, healthcare and housing have produced widespread hardship and anger. Child labour, prostitution, official corruption and other social evils such as industrial accidents and ecological disasters are fuelling widespread hostility to the Beijing bureaucracy.

Reflecting concerns in international financial circles, London's *Business* magazine of September 5 cited Citigroup's chief Asian economist Huang Yiping who warned "either the [Chinese] authorities take more decisive action or something blows up". The magazine commented: "If the latter happens, the world will feel the shock waves (far more than China felt the effects of the recent Western market wobble). It is in all our interests that President Hu and Prime Minister Wen emerge strengthened from their October Congress—and then, of course, proceed to do the right things."

Hu's response to mounting social tensions has been to approve a limited ideological debate in recent months over "political reform". This catchword has nothing to do with granting even basic democratic rights, but is aimed at wooing layers of the middle class and liberal intelligentsia, as a substitute for the CCP bureaucracy's traditional social base among sections of the peasantry. A key element of the "debate" is a return to the issue of the Tiananmen Square massacre.

In July, former vice premier Tian Jiyuan wrote a tribute in a journal *Yanhuang Chunqiu* to late CCP general secretary Zhao Ziyang—who supported the students' demands of "political reform" in 1989 and was placed under house arrest until his death in 2005. Tian compared favourably Zhao's moral standing to the rampant corruption among the CCP cadres today. More

controversial was the journal's cover story, which bluntly stated democratic reform had "severely regressed" since the Tiananmen events.

The author, Wu Min of the CCP's party school in Shanxi, criticised the party's "excessive concentration of power" as the cause of official corruption and deepening social tensions. "Checks and balances of power are alarmingly lacking... the status quo should not be continued anymore. The longer fundamental, substantial political reforms are delayed, the more likely unpredictable and insurmountable social unrest and political crises are going to occur." He warned the CCP could face a catastrophic downfall similar to that of the Soviet Communist Party in 1991 or the Kuomintang dictatorship in 1949.

The articles provoked a bitter attack by a group of 17 former senior officials in an open letter to President Hu. Citing the recent slave labour scandal in the brick industry, they argued that the purpose of so-called "political reform" was to officially embrace capitalist relations and abandon the CCP's claim to be "socialist". Such a policy would produce a Chinese Boris Yeltsin who would ruin the Chinese society like the dissolution of former USSR, they warned. "We're going down an evil road. The whole country is at an almost perilous moment."

The letter called for the expulsion of 2.8 million private capitalists from the CCP and the repeal of the country's first private property law, passed this year. Far from representing the interests of the working class and the rural poor, these veteran Stalinists are defending layers of the bureaucratic apparatus whose privileges and power were bound up with the system of state-owned enterprises. They want to maintain the lie that China is somehow "socialist" in order to defuse mounting social tensions.

Even this limited discussion could not be tolerated. Hu ignored the appeal of the 17 and promptly shut down their website.

Whatever their tactical differences, all CCP factions are united in opposition to any danger to political stability. Significantly on August 1, Hu and Jiang appeared on the same platform together for the first time since 2004 to mark the 80th anniversary of Peoples Liberation Army (PLA). In his speech at the Great Hall of the People, Hu referred on no less than 15 occasions to the loyalty of the PLA to the party centre. Jiang followed in kind. It was a very public statement that despite their disagreements both of the leading bureaucrats recognise that their Stalinist regime rests on the tools of repression, not popular support. The same united front will also be evident at next month's congress, even as the backroom factional brawling continues over power and privileges.



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