

Chinese Communist Party congress: An oligarchic gathering

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The 18th Chinese Communist Party (CCP) congress, which opens today in Beijing, underscores the vast gulf that has widened between the rich and poor in China over the past decade since the last leadership transition, to President Hu Jintao and Premier Wen Jiabao.

At least 24 private sector tycoons are among the 2,270 delegates. Among them are two or three billionaires who, according to media speculation, may join the Central Committee. The most notable is Liang Wengen, China's richest man in 2011, with a fortune of \$US11 billion. Liang, the chairman of Sany Heavy Industry—now the world's sixth largest engineering machinery maker—accompanied Vice President Xi Jinping, the designated successor to Hu, on a visit to the US earlier this year.

China Enterprise News, an official mouthpiece for corporate businesses, enthused: "That so many private business people have been selected as congress delegates reflects the Party leadership's open and accommodating attitude [toward capitalists]."

Apart from businessmen like Liang, the wealth of the top CCP leaders is a carefully guarded secret because of the mounting popular hostility toward these self-proclaimed "people's servants," who are not supposed to use their political power to accumulate private fortunes.

Some idea of the riches amassed by the CCP delegates can be obtained from the published figures for the delegates to the National Peoples Congress (NPC) and the Chinese Peoples Political Consultative Conference (CPPCC)—China's legislative and consultative bodies. The wealthiest 70 NPC delegates

had a combined fortune of \$90 billion in 2011. The top 70 in the CPPCC were even richer—\$100 billion.

In the last power transition in 2002, when Hu Jintao took over from Jiang Zemin, a major amendment was made to the CCP constitution to insert Jiang's "Three Represents Theory." The theory sought to justify opening up the party for wealthy entrepreneurs to join, on the grounds that they, and sections of the upper-middle classes, represented the "most advanced" productive forces and culture.

Allowing members of the capitalist class into the ruling party was the logical legacy of Jiang's policy of accelerating the restoration of capitalism after crushing working class opposition in the 1989 Tiananmen Square massacre. Jiang presided over the wholesale privatisation of state property and the transformation of China into a giant cheap-labour platform for transnational corporations, as part of the process of capitalist restoration that began in the 1970s.

The corporate empires now controlled by leading figures in the "communist party" are as big, if not bigger, than those appropriated by their Stalinist counterparts in Russia after the dissolution of the former Soviet Union in 1991.

As the congress opened, the state media proclaimed the 10 years of Hu and Wen as China's "golden decade." In reality, it has been a "golden" period for the country's capitalists. As of 2002, there were no dollar billionaires in China. Now the country has the second largest group (271 in 2011) outside the US.

According to Hu Run, the publisher of China's rich

list, the number of Chinese billionaires could be double that estimate—or “near 600”—if it counted the “invisible billionaires”, the family members of CCP leaders.

The recent *New York Times* report on Premier Wen Jiabao’s family’s “hidden wealth” of \$2.7 billion provoked a political storm in China. But it is only the tip of the iceberg, pointing to a wider process taking place throughout the economy.

Wen’s wife, Zhang Peili, is one of China’s leading businesswomen in the jewellery trade. “By managing state diamond companies that were later privatised,” the *Times* found, she helped her relatives “parlay their minority stakes into a billion-dollar portfolio of insurance, technology and real estate ventures.” The newspaper noted: “The couple’s only son sold a technology company he started to the family of Hong Kong’s richest man, Li Ka-shing, for \$10 million, and used another investment vehicle to establish New Horizon Capital, now one of China’s biggest private equity firms.”

Bloomberg News in June conducted research based on public documents and found that Vice President Xi’s extended family members owned assets worth at least \$376 million, including an 18 percent stake in a \$1.73 billion rare-earths company and a \$20.2 million holding in a telecom technology firm.

A secret 2009 US diplomatic cable published by the WikiLeaks likened the CCP Politburo Standing Committee (PBSC) “to those in the executive suite of a large corporation,” with President Hu acting as the board’s chairman to regulate different “vested interests.”

Citing confidential sources, the cable described how the upper echelon divided up the “economic pie” in the Peoples Republic of China (PRC): “It was ‘well known,’ xxxxx stated, that former Premier Li Peng and his family controlled all electric power interests; PBSC member and security czar Zhou Yongkang and associates controlled the oil interests; the late former top leader Chen Yun’s family controlled most of the PRC’s banking sector; PBSC member and Chinese People’s Political Consultative Conference Chairman

Jia Qinglin was the main interest behind major Beijing real estate developments; Hu Jintao’s son-in-law ran Sina.com; and Wen Jiabao’s wife controlled China’s precious gems sector.”

Well aware of the public hostility to their wealth, and toward the new bourgeoisie in general, the CCP leaders have mobilised a massive security force to safeguard the country’s elite at the congress, fearing public protests.

Zhou, the state security head, told his officials last month that “all kinds of discord, instability and insecure factors exist” and they had to ensure there was no disruption to the key event. For that purpose, 100,000 police have been deployed, as in a “state of war,” with 1.4 million residents mobilised as “volunteer” patrollers. Many dissidents in Beijing have been placed under house arrest.

Significant factional disputes have emerged within the CCP leadership in the lead-up to the congress, fuelled by a slowing economy and the aggressive efforts of US imperialism to undermine Chinese influence throughout the region. Despite these tactical differences, however, the CCP leadership as a whole is unified in its hostility the working class.

The “red” oligarchy under Xi will be even more ruthless when dealing with any opposition from working people than their predecessors. They will stop at nothing to defend the property of the new bourgeoisie and transnational corporations, which have invested hundreds of billions in China to exploit the cheap labour power of the working class.



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