

Chinese Communist Party unveils new leadership

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16 November 2012

The Chinese Communist Party (CCP) unveiled a new Politburo Standing Committee (PBC) yesterday—a day after the conclusion of its 18th congress. As expected, the new 205-member Central Committee selected Vice President Xi Jinping as the party’s general secretary to succeed retiring President Hu Jintao.

Xi also immediately took over Hu’s post as Central Military Commission (CMC) chairman, ending speculation that Hu might retain the key position for a transitional period. This transfer of power was made even though Xi will not formally become president until March, when the National Peoples Congress is convened.

There had been media reports that Hu might offer to relinquish the CMC chairmanship, in a bargain with former President Jiang Zemin’s “Shanghai clique,” in return for the inclusion of two of Hu’s Young Communist League (YCL) protégés (Politburo members Li Yuanchao and Wang Yang) in a nine-member PBC.

Instead, the Politburo Standing Committee was reduced from nine to seven. Moreover, the line-up suggests that the YCL faction has been weakened significantly, with only one clear representative—No. 2 in the new hierarchy, Vice Premier Li Keqiang. Li is expected to succeed outgoing Premier Wen Jiabao.

Despite the show of unity at the end of the congress, it was preceded by months of intense factional struggles, highlighted by the purging of former Chongqing party secretary Bo Xilai, who had been a contender for the PBC. This infighting was driven by differences over a further wave of pro-market

restructuring, and how to respond to the tightening geo-strategic encirclement by US imperialism through the Obama administration’s “pivot” to Asia. While Jiang’s faction emerged with a stronger hand, these economic and strategic pressures will only intensify, ensuring that inner-party conflicts will re-emerge in even more explosive forms.

All factions have agreed that the new leadership is heading for a confrontation with the working class. Xi was given immediate control of the armed forces because the congress set the stage for the further deregulation of large sections of the economy for the benefit of private and foreign capital, accompanied by the intensified exploitation of China’s 400 million workers.

Jiang’s faction’s return to dominance is a warning that the regime will not hesitate to resort to repression against any opposition. Jiang came to power following the 1989 Tiananmen Square massacre, in which the army was used to crush widespread protests by workers and youth over the lack of democratic rights and deteriorating living standards. This faction has always opposed any democratic concessions. It worked to exclude so-called “political reformers” associated with the YCL faction from the leadership for fear that any political liberalisation could open up the door for the working class to express its discontent, as began to happen in 1989.

Yesterday, in his first speech as CCP leader, Xi appealed to Chinese nationalism. “Our responsibility now is to rally and lead the entire party and the people of all ethnic groups in China in taking over the relay baton passed on to us by history, and in making

continued efforts to achieve the great renewal of the Chinese nation,” he declared.

This appeal is primarily to the top 10 percent of the population, which according to one study, account for 57 percent of all income, with the wealthiest 5 percent taking 44 percent. At the very apex are 251 US dollar billionaires and 2.7 million dollar millionaires. At the same time, more than 150 million Chinese still live less than \$1.25 a day.

The “fifth generation” of leaders rests upon these layers of the wealthy elite. Xi and the other incoming figures all emerged in the late 1970s and 80s, with no direct connection to the 1949 Chinese Revolution. Their outlook was fully shaped by Deng Xiaoping’s turn to capitalist restoration from 1978, and they personally share fortunes with the new bourgeoisie that arose from that process.

Xi is well aware of the massive popular discontent just beneath the surface. He warned that the party must be on “full alert” because of mounting problems, “particularly corruption, being divorced from the masses, and going through formalities and bureaucratism.”

At the same time, he promised to address the needs of working people. “They wish to have better education, more stable jobs, more income, greater social security, better medical and health care, improved housing conditions, and a better environment. They want their children to have sound growth, have good jobs and lead a more enjoyable life.”

In reality, the CCP leadership knows it can never meet these demands, as that would undermine China’s role as a giant cheap labour platform for global capitalism. International capital is demanding a new wave of restructuring to open up new investment opportunities and to boost profits as the global economic crisis worsens.

The World Bank’s *China 2030* report—worked out with China’s State Council, presided over by incoming Premier Li, and released in late February—set down a blueprint that was basically accepted by the

18th congress. While the regime will maintain the largest strategic state enterprises, about 100,000 local government-owned companies will be fully privatised.

At the same time, Xi’s installation as chairman of the Central Military Commission (CMC) could indicate a foreign policy shift. President Hu’s doctrine of a “peaceful rise” for China has been undermined by Washington’s aggressive turn to utilise military alliances against China. Even as the CCP congress was being held, the US held joint military exercises with Japan in the West Pacific, reinforcing its backing for Japan in its dispute with China over the Senkaku/Diaoyu islands. President Obama is about to visit Burma, Thailand and Cambodia this week in a bid to further undermine China’s influence in the region.

Two deputy CMC chairmen were appointed just before the congress, underscoring the leadership’s thinking. One was Xu Qiliang, the former commander of the air force, which has been given enormous resources to develop new stealth fighters, on the understanding that air power will be decisive in any conflict with the US. The other was Fan Changlong, who commanded the Jinan Military Region, which had reportedly conducted “island seizing” exercises, essentially directed against Japan, in the East China Sea.

Far from being immune from the global crisis of capitalism, China is extremely vulnerable to it, precisely because of its heavy dependence on exports. From late 1997, China experienced two years of deflation, amid the Asian financial crisis. That forced the Jiang leadership to carry out wholesale privatisation of state-owned enterprises, destroying tens of millions of jobs in order to attract massive foreign investment. Xi’s leadership will likewise seek to defend the interests of the rich oligarchy at the expense of the working class under conditions of deepening global economic turmoil.



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