

China: Ex-CCP Politburo member Bo Xilai given life sentence

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The People's Intermediate Court in the Chinese city of Jinan last Sunday announced its verdict against former Chinese Communist Party (CCP) Politburo member Bo Xilai. He was given a life sentence for accepting millions of dollars of bribes from two businessmen, in addition to jail terms for other crimes, including abuse of power for covering up his wife's murder of British business partner Neil Haywood in 2011.

The sentence was far harsher than the expected 15- to 20-year prison term, supposedly because Bo retracted his previous confession during his five-day trial last month and admitted no guilt.

One leadership source told Reuters that the long prison term was designed to “kill one to warn a hundred”—that is, to intimidate anyone who dared to challenge the newly installed leadership of President Xi Jinping and Premier Li Keqiang. The Xi-Li leadership was installed at a CCP congress last November, but they still face opposition from powerful sections of the Chinese oligarchy whose power and privileges are bound up with state-owned enterprises.

Bo's decision to maintain his innocence reflects the fact that he has political support. He wrote a letter that was published in the overseas Chinese press, explaining that he was following in the footsteps of his father Bo Yibo, a senior figure jailed by former CCP chairman Mao Zedong during the factional struggle of the “Cultural Revolution” in the 1960s, only to return to prominence under Deng Xiaoping in 1978. Bo Xilai aims to also “quietly wait in the prison” for his day to come.

The court's verdict was above all designed to send a message to global finance capital that the Xi leadership is committed to the next stage of pro-market restructuring—opening up key economic sectors to

investors by dismantling the largest remaining state enterprises. Prior to Bo's removal last year from the Politburo, Premier Li had worked out a joint report with the World Bank, *China 2030*, to implement this agenda.

Bo's principal backer, the country's former security chief Zhou Yongkang, is reportedly also under investigation for corruption, along with several executives of the state-owned China National Petroleum Corporation that is connected with Zhou. Under the banner of opposing corruption, the new CCP leadership is seeking to suppress those who have resisted the undermining of state monopolies.

Bo did not oppose the restoration of capitalism in China under Deng Xiaoping, but rather insisted that various state-owned enterprises should be maintained in key strategic sectors to enhance the competitiveness and profits of Chinese capitalism. He became a figurehead for various “New Left” tendencies, many of them Western-educated pseudo-left academics, who opposed the further opening up of the economy to foreign investors.

Bo's policy as CCP secretary in Chongqing symbolised the so-called “state-led” market economy. He attracted major corporations like Foxconn, Hewlett-Packard and Ford to set up production bases by organising the supply of cheap labour, land, infrastructure and government subsidies. His perspective was that rising export revenues would enable the Chongqing municipality to pay off its debts, maintain state enterprises and increase public spending to alleviate rising social tensions.

The goal of Bo's New Left supporters was not to overturn the “neo-imperialism” that they bitterly denounced, but to transform the largest state-owned enterprises into Chinese multinationals, similar to the

South Korean conglomerates such as Samsung and Hyundai. Along with their economic nationalism went assertive foreign policy proposals aimed at defending China's overseas interests, especially oil and gas supplies, as well as a hard-line stance against the US "pivot to Asia", which is aimed at militarily encircling China.

The deepening global financial crisis that erupted in 2008 sent China's export boom to a tailspin. With Western investors now demanding greater profits from their Chinese subcontracting firms, the Chinese government is under pressure to attack the jobs and conditions of workers and to wipe out sections of less competitive industry. Beijing has dismissed Bo's "Chongqing model" as an unrealistic vision built on massive debt and ever-expanding exports. Li and Xi have also called for a "new model of great power relations"—a new accommodation with Washington based on Beijing offering major economic concessions.

However, the political tendencies around Bo are not finished. As CCP secretary in Chongqing, he made a populist appeal to working people through his campaign for "red culture", which included restoring the public singing of Maoist revolutionary songs. While Bo and his family accumulated wealth through various business enterprises, he rhetorically denounced the return of a "new bourgeoisie" to rule China. The Chinese regime could well turn to Bo and his New Left in the future as a means of containing rising social unrest.

The crisis of the CCP was underscored by a lengthy analysis in the *Financial Times*, "How long can the Communist Party survive in China?" on September 20. An unnamed Central Party School professor explained: "We just had a seminar with a big group of very influential party members and they were asking how long we think the party will be in charge and what we have planned for when it collapses."

Mao Yushi, widely regarded as the godfather of modern Chinese market economics, predicted the country was going to face an "unavoidable" financial crisis in the next one to three years because of a huge build-up of government debt and related property speculation. He warned that the "worst case would be a violent uprising followed by a long period of unrest and economic decline, like we see in Egypt."

Many among China's wealthy elite are transferring

part of their fortunes overseas. David Shambaugh of George Washington University told the *Financial Times*: "These individuals are ready to bolt at a moment's notice, as soon as the political system is in its endgame—but they will remain in China in order to extract every last Renminbi possible until that time. Their hedging behaviour speaks volumes about the fragile stability of the party state in China today."

The verdict in Bo's trial, along with his own denunciation of the sentence as "unfair" and "unjust", underlines the fact that the divisions within the CCP remain unresolved and reflect a sharpening of the underlying economic and social crisis.



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