Former Chinese President Jiang Zemin dies

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13 December 2022

Jiang Zemin, former Chinese president and general secretary of the Chinese Communist Party (CCP), died on November 30 at the age of 96. During more than a decade in office, Jiang presided over the extension and acceleration of capitalist restoration following the crushing of the Tiananmen Square protests in June 1989. This had devastating consequences for the working class. Thousands of state-owned enterprises were restructured and sold off or shut down; tens of millions of jobs were destroyed; and essential social services were demolished.

Jiang was installed as CCP general secretary amid the political turmoil generated by mass protests that started in April and May 1989 at Tiananmen Square in central Beijing. While initiated by students who limited their demands to calls for greater education funding, a free press and the right to form independent student bodies, the protests extended to other major cities and significantly began to draw in young workers, who voiced their own class demands.

Deng Xiaoping's pro-market agenda of "reform and opening up," launched in 1978, had led to rising social inequality and increasing hardship for workers. Millions of former peasants were left landless and migrated to the cities in search of jobs. Price controls were lifted and inflation soared to 18.5 percent in 1988. The government reacted by cutting back credit and re-imposing import restrictions, leading to huge job losses as private enterprises tightened their belts or shut down.

While CCP leaders, most prominently the party's general secretary Zhao Ziyang, had sought to compromise with student leaders, the grievances and demands of workers threatened the very stability of the regime. With the formation of the Beijing Workers Autonomous Federation and similar independent workers' organisations in other cities, demands were raised for an investigation into the corruption and nepotism rife in the party's upper echelons.

Matters came to a head after some two million people marched through the centre of Beijing on May 17, 1989. The majority were workers and their families under the banners of their work units or enterprises. Terrified by the mass movement of the working class, Deng sided with hardliners in the CCP leadership demanding the sacking of Zhao, the imposition of martial law and the mobilisation of the military.

On May 20, Premier Li Peng imposed martial law. Zhao was placed under house arrest and 100,000 soldiers from the Beijing Military Region were ordered into the city. On the same day, Deng turned to Shanghai party boss Jiang Zemin as the replacement for Zhao as CCP general secretary.

Just days later, on the evening of June 3–4, the regime unleashed the crackdown to clear protests out of Tiananmen Square and suppress all opposition. The deadliest clashes took place in working-class suburbs as workers sought to block troops moving toward central Beijing. An estimated 7,000 were killed and 20,000 injured. In the nationwide repression that followed, the harshest sentences, including lengthy jail terms and the death penalty, were meted out to workers' leaders.

Who was Jiang Zemin?

The formal installation of Jiang as CCP general secretary did not take place until June 24, 1989. He was widely regarded as a compromise choice between the pro-market "reformers" around Deng and the faction led by Li Peng and Chen Yun, who blamed the pro-market policies for the political unrest and demanded a slowdown in their implementation. While Zhao was made the scapegoat, the criticisms were also implicitly directed at Deng who had been Zhao's backer and the chief architect of "reform and opening up."

Jiang had no substantial base of support within the party. He was the first party leader who lacked any significant connection with the CCP's founding and early years, or with the People's Liberation Army that seized power in the 1949 Chinese Revolution.

Jiang was born on August 17, 1926 in the city of Yangzhou, to the northwest of Shanghai. His father, an accountant/manager, gave up his 13-year-old son for adoption by the family of his brother Jiang Shangqing, a CCP activist killed in an armed clash in 1939. Jiang Zemin trained as an electrical engineer in Shanghai, joined the party in 1946 while at university, graduated in 1947 and was employed at an ice cream factory.

After the CCP took power, Jiang worked as an engineer in state-owned enterprises, including the First Automobile Works in the north-eastern city of Changchun for six years. He went to the Soviet Union in 1955 for further training, including at the Stalin Automobile Works. On returning to Shanghai in 1962, amid the Sino-Soviet split and the withdrawal of Soviet technical specialists, Jiang was appointed deputy director of the Shanghai Electric Research Institute. In 1966, he was appointed as director and deputy party secretary of the thermal engineering research centre in Wuhan, established by the First Ministry of Machine Building.

While he lost his position amid the upheavals of the 1966–76 Cultural Revolution, Jiang was not among the specialists, intellectuals and "capitalist-roaders" who were publicly vilified or dispatched to the countryside for re-education. After being sent to a cadre training school, he was appointed deputy director of the ministry's foreign affairs bureau and in 1970 sent to Romania as head of an expert team to establish machinery manufacturing plants, returning in 1972.

In the wake of Mao Zedong's death in 1976, Jiang assumed a more directly political role. As the Cultural Revolution was wound back, the so-called Gang of Four, responsible along with Mao for the huge upheaval and excesses of the Cultural Revolution, were arrested. Jiang was sent as part of a 14-person team—the "Central Committee Shanghai Work Group"—to reassert control over Shanghai which had been the Gang of Four's stronghold. While nominally responsible for the city's industry and transport, Jiang was clearly involved in the purge of Shanghai party ranks.

Jiang was an early supporter of Deng's "reform and opening up" announced in 1978. In 1979, he was installed as vice-chairman of two commissions set up by China's State Council to boost trade and investment, including through the establishment of special economic zones (SEZs). In 1980, he led a delegation that toured SEZs in 12 countries and on his return issued a report calling for tax breaks and land leases to encourage foreign investment as well as loosening restrictions on foreign joint ventures. While provoking opposition in the party leadership, his proposals were backed by Deng and approved by the National People's Congress.

What followed was a meteoric rise into the top ranks of the party

leadership. At the 12th party congress in 1982, he became a member of the CCP's Central Committee for the first time. In 1985, he was installed as mayor of Shanghai, the country's largest industrial centre. At the 13th party congress in 1987, he became the CCP party secretary in Shanghai and a member of the party's powerful Politburo. Two years later in mid-1989, he was called on by Deng to become CCP general secretary.

The crisis of Stalinism

Jiang was installed as party leader amid the profound global crisis of Stalinism that led to the collapse of the Stalinist regimes in Eastern Europe, beginning in late 1989, and culminating in the dissolution of the Soviet Union in 1991. As the International Committee of the Fourth International alone explained, the open embrace of capitalist restoration by the Stalinist bureaucracies did not represent the failure of socialism but was the consequence of the reactionary Stalinist conception of "socialism in one country."

Leon Trotsky had warned in the 1930s that without a political revolution to overturn the Stalinist regime and return to the strategy of world socialist revolution, the bureaucratic apparatus would inevitably resort to capitalist restoration. As the ICFI explained, the processes of globalised production in the 1980s had undermined the nationalist perspective of Stalinism and rendered obsolete all programs rooted in national economic regulation and that would produce a deepening crisis of the major imperialist powers.

The turn to capitalist restoration in China had already been underway for a decade. The 1949 Chinese Revolution was a colossal and far-reaching social upheaval, ending a century of imperialist oppression that had mired the country in backwardness and squalor. However, from the outset, despite significant social, cultural and economic advances, the pragmatic, nationalist perspective of the CCP, rooted in the Stalinist theory of "socialism in one country," led the country into a blind alley.

The nationalisation of private enterprises and banks, which was only completed in 1956, as well as centralised planning, were imposed along the bureaucratic lines of the Soviet Union, without any input from the working class. The state apparatus established by the CCP rested on the peasant-based Red Army, not democratic organs of workers and peasants. Soviet aid, advisers and technicians played a major role in establishing heavy industry, which suffered after their withdrawal during the Sino-Soviet split in the early 1960s.

The Sino-Soviet split not only compounded China's isolation and economic difficulties. It also fuelled intensified infighting within the CCP leadership between Mao and his utopian schemes for peasant-based socialism, and the advocates of Soviet bureaucratic planning centred on heavy industry. Mao launched the Cultural Revolution in 1966 in a bid to oust his rivals, but the confused and convulsive social struggles drew in sections of the working class and rapidly threatened the existence of the regime. Mao was forced to send the army into the factories to bring the situation under control.

Neither Mao nor his rivals had any solution to the country's mounting economic difficulties or the tensions with the Soviet Union that led to border clashes in the late 1960s. There was no way out within the framework of national economic autarky. Having long rejected the perspective of world socialist revolution, the CCP turned to US imperialism. Just 23 years after the establishment of the People's Republic of China, Mao met US President Richard Nixon in 1972 and forged a de facto alliance against the Soviet Union.

The Mao-Nixon meeting was the essential diplomatic and political pre-condition for foreign investment and trade with the West that began to flourish. Deng, who had been ostracised during the Cultural Revolution, was rehabilitated. Following Mao's death in 1976, Deng emerged as the dominant leader in the Stalinist bureaucracy. His "reform and opening up" initiatives announced in 1978 resulted in the establishment of four SEZs, the dismantling of rural communes, the transformation of state-owned enterprises into profit-making corporations and the easing of restrictions on private enterprises.

A decade later, however, the broad involvement of the working class in nationwide upheavals surrounding the Tiananmen Square protests struck fear into the CCP leadership that was compounded by the collapse of the Stalinist regimes in Eastern Europe. With Deng on the backfoot politically, Li Peng and Chen Yun promoted Soviet nationalised property relations and centralised planning as the example to follow, even as Mikhail Gorbachev was undermining those economic structures in the Soviet Union.

In delivering the main report to the Fifth Plenum in November 1989, Li called for the adoption of a plan drawn up by a revived State Planning Commission to enforce tight controls on credit and balance the state budget to slash economic growth and inflation. Tough new restrictions were placed on rural and provincial industries, particularly in the south of the country. GDP growth slumped to 4.2 percent in 1989 and just 3.9 percent in 1990.

Deng had sided with Li and Chen in crushing the 1989 protest movement but was intransigently opposed to the restrictions being placed on foreign investment and private enterprises. He warned that economic stagnation would undermine social stability and the CCP regime itself and insisted only by further opening up China to the capitalist market and transforming the country into a cheap labour platform for foreign capital could the necessary high levels of economic growth be achieved.

The deepening crisis of the Soviet Union that led to its formal liquidation in December 1991 brought the political struggle within the CCP leadership to a head. The "Soviet" faction led by Li and Chen pushed to further reverse Deng's pro-market policies, such as the existing SEZs. While Deng held no formal party or state position, he still wielded considerable political influence. Just 20 days after the dissolution of the Soviet Union, he set out on his "Southern tour" in January-February 1992, visiting the SEZs and southern cities, accompanied by top generals and the country's state security chief.

In Shanghai, he reportedly berated Chen Yun, declaring that any leader who could not boost the economy should quit. He advocated a far greater opening up to foreign capital and embrace of the capitalist market, telling Chen: "Do not fear when others say we are practicing capitalism. Capitalism is nothing fearsome."

Jiang Zemin's role

Although Jiang had been installed as CCP general secretary and chairman of the powerful Central Military Commission in 1989, he was not a leading figure in the ideological infighting between Deng and his opponents. He manoeuvred between the competing factions. He later justified his manoeuvring by declaring to a biographer: "We wade across the river by feeling for stones because truth is a long road; nobody knows exactly what truth is."

Having initially sided with the "Soviet" faction, Jiang received a thinly disguised rebuke from Deng during the "Southern tour" for failing to implement the pro-market agenda fast enough. Sensing that the political winds were shifting, Jiang fell into line. Over the next 10 years, he championed the wholesale capitalist restoration that transformed the entire country, not just a handful of SEZs, into an arena for foreign corporations to exploit Chinese labour.

Obituaries in the American and international media combine praise for Jiang's role in opening up China to the capitalist market and foreign investors, tempered by hostility to China's emergence as a threat to US global dominance.

The *New York Times* hailed "Jiang's stewardship of the capitalist transformation that had begun under Deng Xiaoping… [as] one of his signal accomplishments" and his years in office as "the golden age of China's embrace of globalisation." The *Guardian* contrasted him favourably with current President Xi Jinping who "has isolated China with Covid regulations and an aggressive foreign policy."

Jiang embraced Deng's pro-market policies, declaring at the 14th CCP National Congress in 1992 that China was a "socialist market economy"—the phrase adopted by the party to disguise its headlong rush to capitalist restoration. The following year he was installed as the country's president as well as the CCP's general secretary.

In 1994, the CCP formally established a "labour market" by legitimising the sale and purchase of labour power. State-owned enterprises were corporatised into companies run for profit. The unprofitable ones were restructured or shut down. The better equipped, in sectors not designated as strategic, were sold off or converted into subsidiaries of foreign transnationals.

These processes were accelerated after Deng's death in February 1997. As the Asian financial crisis began to unfold in the same year, Jiang announced to the 15th CCP Congress that the "reform" of state-owned enterprises would be stepped up. According to one estimate, from 1998 to 2002, about 34 million workers were sacked as hundreds of state-owned enterprises were sold off and thousands more shut down completely.

The heavy industries in the country's north were particularly hard hit, leaving workers and their families devastated. The state-owned industries had been the basis for the so-called iron rice bowl, providing cradle to grave support for employees, including child care, education, health care and pensions. All that was now left to individual workers.

While formal diplomatic relations with the United States were established in 1979 under Deng, those relations were strained on multiple occasion while Jiang held power. The most serious was the 1995–96 Taiwan Strait crisis triggered by Taiwanese President Lee Teng-hui's visit to the US, which China denounced as a breach of the "One China policy." In 1979, the US had ended all formal ties with Taipei and de facto recognised Beijing as the legitimate government of all China including Taiwan.

As China responded by carrying out military exercises and missile launches close to Taiwan, the Clinton administration dispatched two US aircraft carriers and their naval battle groups to waters off the island—one of which was sent through the Taiwan Strait.

Tensions rose again with the 2000 election of George W. Bush as US president. Bush had branded China as a "strategic competitor" during his campaign and declared he would repudiate China's accession to the World Trade Organisation (WTO). However, in the wake of the September 11 attacks on the US, Bush sought China's support for the invasion and occupation of Afghanistan and his bogus "war on terrorism." He did an abrupt about-face. China was admitted to the WTO in 2001, opening the way for a further expansion of foreign investment and trade.

Jiang capped off his term in office by having his "theoretical" contribution, known as "Three Represents," written into the CCP constitution at the party's 16th congress. The Three Represents was a logical extension of the policies of capitalist restoration, providing a crude justification for opening up the party to representatives of "advanced forces of production"—code for the millionaires and billionaires that the "socialist market economy" had enriched.

Jiang stood down as CCP general secretary in November 2002 and as Chinese president in March 2003 but held onto the powerful post of chairman of the Central Military Commission until September 2004. He continued to wield significant political authority, not least through the power base inside the CCP that he had built up in Shanghai, and was influential in the choice of his successor, Hu Jintao, as party general secretary, and a decade later, Xi Jinping.

Jiang, following Deng, laid the basis for the astonishing expansion of the Chinese economy, now the world's second largest, but this has only compounded the contradictions confronting CCP leaders. The economic growth has rested, on the one hand, on the social and economic gains of the 1949 Chinese revolution, including a highly educated workforce and developed infrastructure and, on the other, a massive influx of foreign investment and technology.

The very development of the economy, moreover, has opened up staggering levels of social inequality that are again fuelling acute social tensions amid an economic slowdown. It has also heightened geo-political tensions with US imperialism, which over the past decade has intensified its confrontation with China on all fronts, including advanced preparations for war.

Incapable of making any appeal to workers in China let alone the rest of the world, the CCP leadership has no progressive answer either to the danger of conflict or to the social time bomb on which it is sitting. That is the actual legacy not only of Jiang and Deng, but of the bankrupt perspective of Stalinism and Maoism on which they rested.