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China

# Taking the capitalist road

- IV Online magazine - 2003 - IV348 - March 2003 -

Publication date: Friday 7 March 2003

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**The 16th Congress of the Chinese Communist Party (CCP) took place in mid- November. It has become a routine and well-controlled event, held at a fixed date (every five years), which was far from the case in the past (Congresses were held in 1928, 1945, 1956 and then 1969, subsequently becoming more regular). It has also become a non-event: it took place apparently as predicted and, more strikingly, as predicted for several years. The headlines of the world's newspapers proclaimed that 'the Chinese party Congress has embraced capitalism'.**

[<https://internationalviewpoint.org/IMG/jpg/26maoposter.jpg>]

A Communist Party which is now openly pro-capitalist, recruiting as a priority the new economic élites and private entrepreneurs-this would have been astonishing (stupefying would be more exact) two decades ago, but not today.

The only significant novelty-predicted but almost unprecedented over many decades-was a broad renewal at the highest level of the regime: at the level of the permanent committee of the political bureau, the very small group of men (unless I am very much mistaken, there has never been a woman in this body; even Madame Mao, so powerful in her time, was never officially a member) who are supposed to be the true masters of the country.

## From one generation to the other

The party is to have a new general secretary, Hu Jintao, a young leader by Chinese standards-only 60. And the three main leaders of the 1990s, above all the post Deng Xiaoping years (he died in 1997) are no longer on the leading bodies of the party. Jiang Zemin, the leader promoted just after the repression at Tiananmen Square (June 1989), Li Peng, prime minister at the time of the tragic events, who was very unpopular and responsible (in the eyes of Chinese public opinion) for this repression (in fact carried out under the orders of Deng), and Zhu Rongji, the energetic prime minister, are retiring or about to retire (officially at least). The transition has been planned for a long time; it was indeed Deng who had chosen Hu Jintao as the successor to his successor, Jiang Zemin. The first generation of cadres which emerged at the beginning of the CCP, that of Mao (born in 1893, he participated in the founding Congress in Shanghai in July 1921, but with a modest role) was followed by the men of the second generation, most prominently Deng Xiaoping (born in 1904, a Communist from the early 1920s). Deng, a long-time follower of Mao who became his adversary (in Mao's view) during the Cultural Revolution, was to become the instigator, undoubtedly consciously, of a deMaoisation of the Chinese regime.

Deng, in his turn, largely chose the third generation, made up of cadres who joined the CP before its accession to power in 1949. That means men (this level of the hierarchy consists essentially if not exclusively of men) who entered a party in the midst of a full process of ascension to power (Jiang Zemin joined the CCP in 1946 at the age of 20). More strikingly, the highly competent Prime Minister, Zhu Rongji, a skilled engineer with a reputation for honesty, is said to have joined the CP in October 1949, just after the seizure of power (he was then 21).

These are, then, survivors, past masters in the terrible games of power. Zhu was a victim of the 'anti-rightist' campaign waged against the intellectuals in 1957, but since then he has been relatively untroubled. This is an elite from a dominant social order, which is learning by its own lights how to survive and even prosper in an often difficult context. As in the case of the Soviet bureaucracy at the time of Stalin and afterwards, it is an elite which has learnt its

trade as an elite-how to effectively manage 'actually existing Chinese socialism' while being aware of the problems, difficulties and impasses of their régime and their country.

Behind and under the authority of Deng Xiaoping, realist and pragmatist par excellence (as was Mao, before 1949 in another context), these cadres, occupying increasingly higher positions, accepted and in part piloted a complete transformation of the country. They hoped to respond to pressing problems and above all face up to a problem of the survival of the 'Communist' régime.

In their turn, they have chosen the successors of the 'fourth generation', (this is the official terminology!), again men aged around 60: well educated cadres for whom the revolutionary past is simply an ideology without effective content. The new secretary general, Hu Jintao (he shares his background in engineering with Jiang Zemin, Li Peng, Zhu Rongji and many other Chinese cadres, not to mention a notable part of the Soviet elite from the 1930s onwards) joined the CP before the unleashing of the Cultural Revolution. He has proved to be a prudent manager, tough when the situation demanded it (as in Tibet) and avoiding the traps laid for claimants to power. To such an extent that nobody is really sure what he wants and what he might do.

## The Taiwanese Model?

A 'fifth generation' is already emerging, to whom perhaps the task of the reconversion of the régime will fall. The model is not very far away in the remarkable changes to Taiwan's Guomintang régime. The latter came to the island in 1949 with cadres and an army defeated by the Communist troops, as well as their associates and their families (one to two million people). It was a very authoritarian régime, openly dictatorial (the state of emergency declared in June 1949 was maintained until 1987); it was, moreover, responsible for a terrible repression, a veritable massacre of the inhabitants of the island (the descendants of immigrants who came to the island in the 17th and 18th centuries) on February 28, 1947 which led to long and deep seated tension between the new 'Chinese' masters and the Taiwanese majority. Yet this régime, imposed by violence, finally came to an accommodation with the population, first economically, then, under the repeated pressure of the Taiwanese component, by concessions on democracy and civil liberties. It has now abandoned a good part of its political power, while still participating in Taiwan's dynamic capitalism and enjoying its material advantages.

The People's Republic and Taiwan are two different universes, in terms of problems and possibilities. While Taiwan covers 36,000 square kilometres and has more than 20 million inhabitants, the PRC has 9.6 million square kilometres and more than 1.3 billion people. Taiwan is already a developed country, with a minority of peasants and a solidly implanted local capitalism; the PRC is a country-continent which remains massively rural and is undergoing a rapid but also fragile development (even from the viewpoint of the authorities). It is difficult to estimate the effective gap in GNP per inhabitant. The official figures show enormous differences, which are in fact unrealistic. A more sober estimation would arrive at a relationship in the order of one to four, in favour of Taiwan. However, in absolute terms, the country that counts economically is the People's Republic and not Taiwan. The latter does not enjoy a very solid international legitimacy while the PRC undoubtedly incarnates the grandeur, continuity and destiny of China. Despite the similarities between the Guomintang, formed in 1924 on a model directly imported from the centralism of the Communist International, and the CCP, these are two very different structures and the stakes are of another nature. Still, the 'Guomintang model' shows many enlightened 'Communist' cadres that a full systemic reconversion is possible.

Everything must change so that things remain the same, then, as the famous formula goes? We would say rather that everything has already changed and that the CP Congress has confirmed this situation.

## What continues

The renewal of the leadership, which appears impressive and even complete, is very much less than that in reality. Jiang Zemin, is trying to do exactly what Deng did before him; withdrawing from power so as in fact to jealously maintain it. Thus, six of the nine members of the new permanent committee of the political bureau were chosen by him. Even if, as predicted, he abandons his somewhat honorary title as president of the Republic, he will keep his essential function as president of the military Commission (the former military Commission of the Central Committee of the CCP) which was an essential source, undoubtedly the most decisive, of Mao's and subsequently Deng's power. Deng was even allowed to withdraw from this body while retaining the real power in the country. Jiang Zemin has no intention of retiring-at 76, he is only a year or two older than Deng was when he began to exercise supreme power, in 1978-1979.

The major continuity is that of the sole power of the party, the imposition of its rules (including fixing the order of succession in the leadership of the country); the centre of power, of the constitution of the old and new élites has not changed and if there is no major crisis, it is not about to change.

The CCP has succeeded in maintaining its hegemony over society in a period of incredible upheavals in China and the world. It has not succeeded in making itself popular, or legitimate in the strong sense of the term; but it has succeeded in making itself indispensable, and destroying any embryonic alternative. There is currently no sign of anything that could with any credibility replace it.

A party which was delegitimized by the sufferings of the Cultural Revolution (1966- 1969), and subsequently still more discredited by the general corruption spawned by its politics and its predatory behaviour has emerged in much better shape than might have been thought. A quarter of a century since Mao's death, the situation can be summed up: the CCP has won, and there was nothing obvious nor easy about it. The exploit is remarkable, and was in no way predictable.

## China in movement and upheaval

Behind this victory lie the incredible upheavals of the past two decades, above all the 1990s. Here we won't go into details (whole volumes would be needed): nothing remains of Maoist China, and hardly anything of 'actually existing socialism'. The Congress has confirmed it; everything that has been done empirically, through trial and error, is in the process of creating the Chinese road to capitalism and a broad economic opening to the world.

The winners are many-among the new and rich middle class developing in the cities, in the significant advantages and privileges enjoyed by the masters of the party, and more openly still their sons and relations (what the people ironically call the party of Princes). This evolution is underpinned by China's economic breakthrough; the country is on the road to becoming a great economic power on the world scale. If the average income per inhabitant is still modest, in particular in the countryside, levels of consumption, above all in the cities, have grown significantly; China is the second economic power of the world (overtaking Japan), the third if the European Union is taken as one entity. It has for some years been the most popular destination in the world for capital (taking, provisionally, the place of the US). This capital no longer originates largely from the Chinese diaspora as in the recent past; international capitalism as a whole is flooding into China, including the high technology sectors, including the capitalism of Taiwan. The country is in the process of becoming 'the workshop of the world' (as Britain was called in the first half of the 19th century), a country where the products found all over the planet are manufactured and which is increasingly raising the technological level of its manufactured products (in the image of what was done by Japan, for example). There is still a lot of ground to cover, but things are going more quickly than would have been thought possible not long ago.

China is the country to invest in, to be present in. A far cry from the China of the period of the massacre of the students in 1989.

## The many losers

And the losers? In various degrees, the majority of the population. First the rural majority (two thirds of the population) who are once again neglected and lagging behind in relation to the cities, where they go in their tens of millions to find often appalling work. Yet it is the dynamism originating from the countryside which has constituted the real motor of the social and economic transformations of the post -Mao period and was indispensable to the success of Deng's reformist project, at least during its difficult beginnings (the early 1980s). That does not mean that the peasants have again been reduced to the great poverty that was their lot 20 or 30 years earlier; but their life remains difficult; the gap with the situation and standard of living of the city dwellers has been seriously deepening for around 15 years.

The other big losers are the workers in the state factories in the cities, and particularly the women workers. After much hesitation, the 'popular' regime decided to smash the conquests of the Maoist period, in the mid 1990s. Within a few years, despite numerous social tensions, strikes and diverse actions, there has been a process of quasi-disappearance of the relatively protected status of workers in the state sector.

Instead, a new proletariat-sometimes better paid, but insecure and super-exploited-is forming, in the context of a new capitalism, private, state, semi-state, or dominated by foreigners. And there are forms of exploitation fairly similar to those known in the so-called Third World (and sometimes in the most terrible forms of western capitalism in the 19th century).

That makes for a lot of suffering. And this is not to mention the situation of the old, the more miserable peripheries of the country, the new urban poverty, or the ecological dangers.

Chinese society is on the move. The situation is rich in creativity and potentiality, but also dangers, if not disasters linked to the authoritarian policies of the CCP and the hybrid forms of capitalism. The regime plays an equilibrist game based on seduction, fear and resistance in relation to external capitalist penetration; it variously seeks to utilize, respect and get round the rules of the World Trade Organization (WTO) which the PRC has joined after 15 years of trying. It must face up to multiform social pressures, often uncontrollable, even if the resistance is fragmented and open opposition weak. Then there is the fragility of the legal system (which is slowly improving) and the arbitrary behaviour of the regime and its agents in their relations with the people, above all the 'common people, which is increasingly humiliating, and unacceptable to a population which is better educated, better trained and more conscious of its rights. Not to mention the violence of social life and the considerable criminalization (though there is nothing exceptional about this on a planetary scale) of economic life.

## Towards affirmation of a power

The successes of the recent past are undeniable, the price paid by the majority of the people is heavy and economic, social and political stabilization is not guaranteed. That does not rule out the frenzy of consumption indulged in by some city dwellers and some of the privileged of the countryside: it is about the pleasure of wishing to be better off and perhaps it is also an opportunity to grab all you can face with an uncertain tomorrow and memories from the past of poverty and the brutality of the regime.

What has now become obvious to all and is moreover a source of fierce pride for many Chinese, is that the China of the 21st century is a major force on the planetary scale. It is certainly still far from being a power that can rival the US, especially from the military viewpoint or in terms of its geopolitical deployment.

Nonetheless, it is a country that counts for something and will increasingly do so. For now the regime recognizes, de facto, the relation of forces at work: the preponderance of the US. Tomorrow, things could be different and the regime may act on its own account, effacing definitively the terrible humiliations suffered in the modern era. What that would mean, nobody knows. In any case, that is the why the elites in the regime and among the population are thinking.

The broad outline of China's current geopolitical goals is clear: reunification with Taiwan under the authority of the mother party ('Communist' or otherwise); the recognition of Chinese pre-eminence in its environs: the will to counteract a sense of being encircled by the US superpower. A recognized place in the management of the Pacific region is also demanded.

In the longer term, things are a bit hazier; the country should continue to advance economically and militarily, it should guarantee a certain social stabilization, it must master its serious ecological problems. Also, it must resolve the question of the future and the nature of the regime (which does not necessarily mean the installation of democracy!) The geopolitical vision of China has strongly evolved, without being clearly fixed however. Continental China, self-centred, strategically orientated towards Asia (hence, traditionally, the importance of its periphery, like Tibet) - in this respect Mao's China barely differed from imperial China - has given way to a country more open to the world, and more oriented towards the seas (hence the demand for hegemony over the South China Sea).

China is also more resolved to participate in economic and geopolitical confrontation with the dominant forces of the planet. While in the past, even in the Maoist era, the priority was the immediate periphery of the country; China's elites (including those who detest the current regime) can no longer function in this framework. But what framework can durably and effectively replace it? This is the subject of many debates and remains a great unknown. If all goes well, which is in no way guaranteed, so many and so deep-seated are the problems, China would become one of the key actors at a global level. The country has changed greatly already and will continue to do so. However, for the time being socialism and popular emancipation will have no place in all this.