

# The Politics of China's Rural Poor

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## China's leadership stakes its future on reforming incomes in the countryside

The massive Rmb4 trillion stimulus package announced Sunday by China's State Central Committee, which provides vast amounts of infrastructure spending and support for the rural poor, makes it clear that President Hu Jintao has at least partly staked his influence and legacy to the fortunes of China's downtrodden farmers as well as hoping to use it to limit the influence of members of China's potent Shanghai Gang.

Partly because rural poverty is so overwhelming, China's authorities are seeking to engineer the biggest migration in history, from the countryside to the cities. Some 312 million of China's rural dwellers are estimated to have no access to safe drinking water, for instance. As many as 120 million people — twice the entire population of the United Kingdom — are expected to urbanize over the next five years, leaving what is far too often a miserable life in the country. In addition to the stimulus package announced last week, the October plenary session of the Communist Party resulted in a communiqué describing several "musts," including making food security for the country's 1.3 billion people a top priority, strengthening agriculture as the foundation of the national economy and protecting rural property rights, a revolution in a nation that still calls itself communist.

Rural incomes dramatically lag urban ones, with 2007 average per-capita disposal income only Rmb4,140 (US\$605) compared with Rmb13,786 in the cities —three times as much. Villagers and rural town residents lay blame for their poverty, real and relative, at the door of the party, which Hu Jintao heads. Party leaders fear that if matters don't improve, the party's crumbling legitimacy could turn to dust. Accordingly, the directive promises to double farm incomes by 2020.

The agriculture reform package is nonetheless a breathtaking gamble. Some 730 million people remain on the land, the subjects of what is about to become a vast social experiment. While the details still remain hazy nearly a month after the conclusion of the October Plenum, the ability to sell off land use rights allows for the creation of bigger farming plots and the conversion of land into industrial farming. One of the problems across Asia is that tiny plots farmed by individuals are not efficient. By moving more rural dwellers off the land, it is argued, bigger farms will allow for more efficient farming.

To many critics, however, the industrialization of agriculture has its own manifold dangers. Western-style agribusiness, they argue, produces high yields, but requires vast amounts of energy and chemical fertilizers to maintain what eventually become almost monocultures, causing increasing land degradation. Instead, they argue, the rotation of crops is a much wiser stewardship of land. More than 200 million peasants have already left the land for the cities. Whether they will be any better off as urban dwellers, they argue, is debatable. The masses moving to the cities are currently barred from receiving standard welfare benefits and, with poor educations, find it difficult to move up the economic ladder.

The “musts” in the agriculture package put some meat on the bones that Hu laid out when he was reappointed to a second and almost certainly final term as leader in October 2007. In broad terms, according to the state-controlled China Daily, farmers will now be able to trade, rent or mortgage their land use rights for profit in some sort of land transaction market. One of the biggest causes of tension in China has been the arbitrary seizure of land by authorities for conversion to urbanization. Thousands have rioted against authorities, with pitched battles that have raged for days.

Certainly, Hu knows the problems of China’s interior, which is where he worked for most of his career, becoming a central player in the Communist Youth League, the base for a faction which has by a whisker outsmarted the savvy Shanghai clique in recent years.

In simple terms the Youth League faction has its roots in the countryside, whereas the Shanghai clique previously headed Jiang Zemin, the former president, draws its strength from thriving cities, mostly along the coast.

When Hu succeeded Jiang as leader in 2002, hopes rose for political reform in some quarters despite his iron-fisted term as governor of Tibet. For a few years the press appeared to have greater slack before feeling a tug on the leash in 2005 as Hu began preparations for the 17<sup>th</sup> party congress in 2007. That tug has now largely become a chokehold.

The Youth League faction, represented by Hu, was expected to have strengthened and consolidated its influence clearing the way to dominate the new politburo by replacing all the members left in place by Jiang.

However, it was not to be. Jiang has proved a wily player in the shadows. The Shanghai clique has retained considerable influence. The politburo and other senior positions came out fairly balanced between institutional and factional interests. It is important to note that on ideological matters, all factions agree that they must use draconian means to keep the CCP in power if necessary. They see the writing on the wall, and that they must hang together so as not to hang separately.

This tussle, although not an outright clash between the Youth League and the Shanghai clique, is perhaps most apparent in the rise of Xi Jinping, who although not a member of the Shanghai clique is now a contender for Hu’s job in 2012 thanks to support from Jiang. He is “running” against Hu’s protégé Li Keqiang.

One casualty of the Youth League’ struggle to assert itself over the Shanghai clique, as well as other interests, has been political reform.

Joseph Fewsmith of the Hoover Institution in California however detects strong currents in favor of more open politics to reflect the monumental changes in society over the last few decades and to confront deepening discontent with the party’s inability to tackle corruption.

Ad hoc experiments in greater public participation in appointing local communist party officials, as well as murmurings for change in Guangdong province, adjacent to Hong Kong, and publications from the Central Party School in Beijing all hint of changes to come.

One thing seems all but certain: the party will not be relinquishing its monopoly on power. In any case substantive reform, at least in the context of China today, will probably have to wait until new leadership, including the politburo and the state council, is appointed at the 18<sup>th</sup> party congress in Beijing in 2012.

This will be the second “formal” transfer of power between administrations following the precedent

set when Jiang stepped down at the end of his second term in 2002. If it goes off without a hitch, which seems likely as the party, despite its “healthy” internal divisions and debates, seems far from cracking up, it would mark another step in the institutionalization of autocratic politics. This is a legacy of Deng Xiaoping, the architect of China’s opening up to the world in 1978, who was determined to avoid a repeat of Mao Zedong’s leadership, which had degenerated into terror. Between now and 2012 Hu and Premier Wen Jiabao, another stalwart of the Youth League, have to deliver a strong performance by government to maintain the Youth League’s standing and ensure patronage flows in order to win the support of smaller factions, “independents” and “floating voters” in the party.

Their performance will be judged on the results of their policies, which is where farmers come in, because the plans revealed in October for boosting the rural economy are almost certainly going to stand as a major, perhaps the major, initiative of Hu and Wen’s administration.

Although rural reforms are penciled in to run until 2020 they must have a noticeable impact by 2012 to shore up support for the Youth League faction. If the countryside becomes noticeably more prosperous over the next few years, in part helping to mitigate the downturn from falling exports due to economic strife around the world, then the Youth League should be well represented in the new leadership taking the helm in 2012.

Political reform may then have a hope of making it onto the agenda. About time too. The middle class is growing, people are more worldly, society now expects choice in every sphere. Politics cannot remain stuck in the past forever without consequences.

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