

# China: 'Harmonious' capitalism on congress agenda

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Class-free analysis seeking to justify Beijing's pursuit of capitalism with a human face will likely find a place in the Communist Party of China's constitution at the party's 17<sup>th</sup> congress, which begins on October 15. A scheduled constitutional amendment is expected to be couched in such terms as the pursuit of a "socialist harmonious society" and a "people-centred" "scientific concept of development", which will be credited as "major theoretical developments" of CPC general secretary Hu Jintao.

The seventh plenum of the 16<sup>th</sup> CPC central committee (CC) is scheduled to meet on October 9 to finalise the proposed amendment.

Hu, 64, who took over the powerful position from Jiang Zemin only five years ago at the 16<sup>th</sup> party congress, is widely expected to hold onto his post for another five-year term. Jiang held the post for 13 years. But many on the party's 356-member CC (of which 190 are full members), the 25-member politburo, the nine-member politburo standing committee and the seven-member secretariat will have to go to make way for a new generation of central leaders from among whom a new general secretary is expected to be selected at the 18<sup>th</sup> congress.

Hu also became China's president in 2003 and chairperson of the Central Military Commission in 2004. Jiang also held these three top posts concurrently.

The incoming layer of leaders — called "the 5<sup>th</sup> generation" (since 1949) and aged in their late 40s or early 50s — will be the first generation of leaders who have essentially no personal experience of the 1949 revolution.

In an effort to encourage orderly succession, then-leader Deng Xiaoping introduced fixed terms for state positions in the 1982 state constitution, as well as age norms for retirement within the party. Politburo members, for example, are expected to retire when they reach 70 at a congress, and a younger age norm applies for less-senior positions. According to the Brookings Institution's Li Cheng, the average age of the politburo standing committee members in 2007 is 67, 66 for the politburo, and 65 for the secretariat. According to Li, more than 88% of the full CC members are above 60, although only 68% of members of the CC as a whole fall into this category.

At least eight provincial party chiefs have been reassigned in recent months, in an apparent bid to discourage leading cadres developing a personal power base. According to an October 3 report at People.com.cn, an official website, Xi Jinping recently became the party secretary of Shanghai Municipality, vacating his post in Zhejiang Province, which has been filled by Zhao Hungzhu from the Central Organisation Department. Similarly, Shandong Province's party secretary Zhang Gaoli has been reassigned to the same position in Tianjin Municipality, while Li Jiangguo is leaving Shaanxi Province after 10 years for the same position in Shandong. Qiang Wei is moving from Beijing to Qinghai Province, while Qinghai's original party secretary, Zhao Leji, will fill the gap in Shaanxi.

However, there is no sign that this reshuffling of positions will alter the pro-capitalist agenda that Beijing has vigorously pursued since the early 1990s. At the 14<sup>th</sup> Congress in 1992, when the formally retired Deng Xiaoping was still calling the shots, new general secretary Jiang Zemin announced that the CPC was aiming to build a “socialist market economy”. In practice, China’s path since then has little to do with building socialism but everything to do with seeking to restructure China on a capitalist basis. Rapid privatisation has swept China since the mid-1990s, resulting in massive redundancies, widespread hidden unemployment and the major withdrawal of social provisions, especially in the urban areas.

Seeking to establish his “theoretical” legacy, Jiang tried during his reign to justify the pro-capitalist moves in the name of the “Three Represents thoughts”, which suggests that the CPC must represent the most advanced productive forces and cultures in China, and that its leadership is consistent with the fundamental interests of the overwhelming majority of the Chinese people. Mirroring Deng’s 1970s call for China to achieve “four modernisations”, Jiang’s pet slogan was to lead China to become a “moderately well-off society”, an ill-defined concept.

Since Hu took over in 2002, Jiang’s formulations have largely been put aside in favour of Hu’s favourites, such as the pursuit of a “scientific development perspective”, a “people-centred orientation” and the goal to build a “socialist harmonious society”.

The ultimate causes of social disharmony are rarely investigated. Instead “bad apples”, such as corrupt individuals and the monopolising industrial sectors, are blamed for everything from income disparity to social injustices. There is no scrutiny of the role of institutionalised exploitation that flows from the push to introduce capitalist economic relations and eventually eliminate the vestiges of the nationalised, post-capitalist economy that was the revolution’s legacy. Social conflict is described in terms of clashes between different “interest groups”, not as a product of class contradictions.

In 2001, to mark the CPC’s 80<sup>th</sup> anniversary, the party openly allowed capitalists to join. Quoting official sources, Li told an April conference in Washington DC that 34% of owners of private firms and 35% of China’s millionaires are CPC members.

Hu’s focus on a “people-oriented harmonious society” is not an accident. There is widespread social discontent across China. Even the official figures for “mass incidents” — Beijing’s term for social protests — has registered a huge rise in such incidents, from 10,000 in 1994 to 87,000 in 2005.

Despite an often-rudimentary level of services, the post-1949 Chinese government did achieve health-care coverage widespread enough to lift the country’s life expectancy from 35 years in 1949 to 68 years in 1978. But by 1997, according to a 2000 World Health Organisation report, China became the fourth-worst among WHO’s 191-member countries in terms of fairness in health-care resource distribution. Even the Development Research Centre of China’s State Council — the cabinet — concluded in a 2005 report that “China’s health care reforms have turned hospitals into clubs for the rich”.

On September 24, *China Youth Daily*, the organ of the Communist Youth League, revealed that a survey it conducted of 4000 people showed that nearly 90% of them were worried about their financial wellbeing in retirement. The paper quoted a senior policy research officer at China’s Academy for Social Science who explained that the crux of the problem is the huge gap between the real needs of China’s elderly and their ability to pay to have those needs addressed.

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