
The XVIIth Congress of the Chinese Communist Party: shedding light on how the system works

Valérie Niquet

December 2007



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Valérie Niquet is Director of Ifri's Asia Center (Centre Asie Ifri), in charge of the China Program.

This program is supported by:
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ISBN: 978-2-86592-240-6
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IFRI
27 RUE DE LA PROCESSION
75740 PARIS CEDEX 15 - FRANCE
TÉL. : 33 (0)1 40 61 60 00 - FAX: 33 (0)1 40 61 60 60
Email: ifri@ifri.org

IFRI-BRUXELLES
RUE MARIE-THÉRÈSE, 21
1000 - BRUXELLES, BELGIQUE
TÉL. : 00 + (32) 2 238 51 10
Email: info.eurifri@ifri.org

SITE INTERNET : www.ifri.org

Introduction

In Beijing, the XVIIth Congress of the Chinese Communist Party (CCP), in charge of renewing the party leadership and to define future major tendencies, took place mid-October 2007, five years after the XVIth Congress of 2002. This regularity demonstrates the progressive institutionalization of the Chinese political system. The Congress no longer appears as a major turning point, inaugurating a radically different strategy – a characteristic of the big Congresses of the previous period, from the Zunyi Congress, which asserted Mao's control of the Party in 1935, to the XIth Congress in 1977, which re-established Deng Xiaoping as leader and began China's transformation.

During this Congress, the 2.217 delegates representing the 73.96 million members of the CCP and of its organizations, elected the 204 full members and 167 alternate members of the Central Committee. The Committee appointed the six members of the secretariat, and the 25 members of the Politburo (politburo) among which the nine members of the Politburo Standing Committee (PBSC) were chosen. The PBSC lies at the core of Chinese political power, a collegial system at the head of China, around the General Secretary.

The 127 members of the Central Discipline Inspection Commission of the CCP were also appointed, as well as the eleven members of the Central Military Commission, two essential governing bodies of the system.¹

Beyond this nomination process, the Congress provides a picture of the consensus reached at a given moment, of the relative weight of various factions, and future strategies, following the consultations and negotiations which generally take place during the summer at the Beidaihe seaside resort, and continue until the very last days and hours that precede the Congress.² In spite of a new stress on “democracy within the party” (*dangnei minzhu*), the secretiveness surrounding these dealings serves to reinforce the party's image of unity, considered by its leaders as being vital for its stability.

In appearance, the Congress has remained a highly codified ritual, including the type of ceremonies organized to welcome the

¹ *Xinhua.com*, 10-21-2007.

² *Financial Times*, 10-22-2007.

local delegates returning to their district after the Congress.³ However beyond the work style which remains very opaque, the Congress strives to define priorities in terms of development, and to answer the essential question of safeguarding the legitimacy of the party in a rapidly changing society.³

The main event in terms of visibility is the General Secretary's marathon speech, which officially assesses the track record of the last five years and guides political position choices for the following five years.

³ See in particular, Min Xinpei in *Financial Times*, 11-10-2007.

The composition of the new Communist Party leadership

At the top of the party's hierarchy, the appointment of Hu Jintao, a member of the CCP since 1964, the 49 year old heir apparent named by Deng Xiaoping to succeed Jiang Zemin, during the XIVth Congress in 1992, kept his position of General Secretary and president of the Central Military Commission. This dual status allows him to hold, along with the presidency of the Republic, the power trinity within the Party-State.

On the other hand, only four members of the PBSC, out of nine, were renewed, 10 out of 25 within the Politburo, as well as less than half of the members of the Central Committee of the Communist Party (CCCP). Therefore we remain far from the major changes that had been predicted.

Within the PBSC, Hu Jintao, Wu Bangguo, president of the National People Congress (NPC), Wen Jiabao, Prime Minister, Jia Qingling, president of the People's Political Consultative Conference (PPCC), and Li Changchun, president of the Propaganda (Publicity) Department, have kept their position. The new appointments include in hierarchical order, Xi Jinping, also named at the head of the Secretariat of the Central Committee, head of Shanghai Party Committee since March 2007, Li Keqiang, head of the Provincial Party Committee in Liaoning since 2004, He Guoqiang, president of the Discipline Commission and former president of the Organization Bureau of the CCP, and Zhou Yongkang, Minister of Public Security and Political Commissar of the People's Armed Police (PAP).

The ten new members of the Politburo (PB) are by alphabetical order: Bo Xilai, Trade Minister since 2004, appointed General Secretary of the Party of Chongqing following the Congress, Li Keqiang, Li Yuanchao, Liu Yandong – only woman in the Politburo who replaced Wu Yi, who reached the age limit –, Wang Gang, Wang Qishan (the mayor of Beijing), Wang Yang, Xi Jinping, general Xu Caihou, vice-president of the Central Military Commission since 2004, and Zhang Gaoli.

The members who compose the new Central Military Commission include Hu Jintao, who remains president, and the two vice-presidents General Xu Caihou – a new member of the PB, former Political Commissar of the People's Liberation Army (PLA) and future Minister of Defense – and General Guo Boxiong, as well as Liang Guanglie, Chen Bingde – general Chief of Staff –, Li Jinai, Liao

Xilong, Chang Wenquan, Jing Zhiyuan, Wu Shengli – Chief of Staff of the Navy – and Xu Qiliang – new Chief of Staff of the Air Force of the PLA, nominated a few days before the Congress.

A limited “rejuvenation” process

The age limit to retire, unofficially fixed at 68 years old for all of the party leadership, has been strictly respected.⁴ Zeng Qihong and the two other members of the Permanent Bureau who lost their position were over 68, which set a precedent that should be applied in 2012 when Hu Jintao himself turns 69. On the other hand, Jia Qinling, 67 and half years old, was spared in spite of being tainted by accusations of corruption. However, the average age of the members of the Standing Committee (62 years), has remained stable and reaches 64.5 years if the two “heirs,” Li Keqiang, 52, and Xi Jinping, 54, are not included in the average. In June 2007, within the CCP itself, 52.9% of the members were between 36 and 59 years old, 23.7% were less than 35 years old, and 23.4% were over 60. Within the Central Committee, 75 new members are less than 50 years old, with two members being less than 45.⁵

A diversity of provincial origins

The provincial origin of the members of the PB and of the Standing Committee is not always significant in that, at that level of power, careers are based on a relatively high degree of mobility and accumulated experience. Moreover, according to a tradition which goes back to the Chinese imperial administrative system, the provincial origin of a family is not always directly related with the professional career, the intention being to avoid (not always successfully) the constitution of local fiefs around overly powerful families which would interplay with the party’s influence networks.

Almost like a caricature, the two potential “heirs” represent, in a context of compromise, the two major tendencies represented by the important coastal regions, which continue to carry the weight of China’s economic growth. They are the symbols of a dynamic, developed, modern and outward-looking China, urban and urbane, around Xi Jinping, mayor of Shanghai since 2007 and in charge of the rich province of Zhejiang for over 17 years; and the “old China” of the

⁴ Officially, the age to retire was 70 years old for all of the party executives, except for members of the Central Military Commission. In reality, the age limit was set back to 68 years old.

⁵ For the complete figures, see *Renminwan* (*people.net*), 10-08-2007 and 10-21-2007.

North-East, which served for a long time as a model for a socialist-type development based on heavy industry, stronghold of the major State industries, whose situation has considerably deteriorated, following a similar pattern which happened in the Soviet bloc, with Li Keqiang, head of the Party in Liaoning, in charge of relocating workers “abandoned” by the big state enterprises.

Within the Politburo, the coastal regions and the big municipalities – Fujian, Jiangsu, Guangdong, Shanghai, Beijing, Chongqing, and Tianjin, the Prime Minister’s city in which the Binhai zone was built as the symbol of the new balanced development model – carry a lot of weight. According to some Chinese analysts, Fujian province has become, after Shanghai, a new cradle for top Chinese leaders. Three former (Jia Qinglin) or new (Xi Jinping and Zhou Yongkang) permanent members have led a part of their career in the Fujian province; two other members have worked there (Wang Zhaoguo) or were born there (Zhang Dejiang).

However, the poorer inland provinces and those of the North-East, long time at a disadvantage, like Henan and the Liaoning, have also become more important. The diversity of the provincial representation reflects the diversity of the interests and challenges which China has to address today. Yet the composition of the highest leading bodies of the party essentially reflects the power struggle between various interest groups. Furthermore, the number of provincial leaders has been reduced within the Politburo, a fact that could indicate the Party shift to recentralization.⁶

Increasingly diverse training and professional experience

The training and career paths of the new members of politburo show an evolution, with an increasing number of economists and social scientists, rather than engineers who had traditionally predominated. Out of all of the members of the Central Committee, 75% of those appointed during the XVIth Congress were engineers, while only 50% of the members from the XVIIth Congress have trained as engineers.⁷ The significant message is the shift from one politically correct type of training to another. Hence, the potential heir, Xi Jinping, graduated from the chemical engineering department of Qinghua University, but the official news agency, Xinhua, now presents him as having graduated with a degree in social sciences, without mentioning the major: “Marxist theory and ideological training.”⁸ During the Cultural Revolution, engineering degrees, especially in hydroelectricity, were most favored, while China was launching a huge campaign to control the country in part through the

⁶ Beijing, interview by the author, October 2007.

⁷ Richard Mc Gregor, in *Financial Times*, 10-22-2007.

⁸ According to *China Facts*, 10-26-2007.

construction of hundreds of dams. With the implementation of Deng Xiaoping's reforms, the "experts" had their revenge, being in charge of leading the modernization and internationalization of the economy. Symbolizing these two types of training, Hu Jintao has a degree in hydroelectric engineering from the University of Qinghua, while Li Keqiang, his heir, has a PhD in economics from the University of Beijing.⁹ More significant, the official comments stress the "expertise" of the new leaders and their top qualification level to address the challenges facing China. Following the Congress, the Xinhua news agency stresses published a study stressing the "arrival of younger fresher faces, experts in management, economics and social sciences."¹⁰

However, the members' real level of training still remains drastically behind international criteria. Zhang Dejiang, a new Politburo member, was presented as holding a degree in economics, but he graduated from Kim Il-Sung University in Pyong Yang. Most of the new leaders' degrees in social sciences consist of training courses to secure an already established political career, or a growing one.

Among the newly promoted leaders, Li Yuanchao has a PhD in law and economics from the University of Beijing. Xi Jinping has a degree in Marxist theory and education, Wang Gang has a degree in philosophy, which in China was until recently synonymous with the study of Marxist-Leninist theory, Wang Qishan also has a degree in economics, Liu Yandong in political science, and Bo Xilai in history and journalism. Wang Yang and Xu Caihou are engineers.

In general, there has been a greater diversification in terms of career paths in the Party. The "self-employed" members of private companies have increased by 113.4% compared in 2002, and 3.18 million members work as employees in the private sector. This could be a result of the application of Jiang Zemin's theory of the "three representations" (*sange daibiao*)

Beyond these "new classes," Party members included in 2007, 10,8% of workers, 31% of peasants, 29% of executives and technicians, 2,2% of military personnel, 2,6% of students, 18,8% of retirees, reflecting the ageing of the urban working class aristocracy, and 5% classified as "others" (actors, sportsmen, soldiers, company executives, and other "outstanding personalities"). Within the Central

⁹ Hu Jintao could be seen as a product of the Cultural Revolution since he joined the party in 1964, while the political climate was becoming very tense, before becoming a Marxism instructor at Qinghua University, a particularly ideologically exposed position. Hu Jintao was to be sent only one year, in 1968, to work on the construction of a dam during the Cultural Revolution, a common path for engineers. He became secretary of the Youth League of the Party in Beijing in 1982 and president of the Central Party School whose vice-president, Zheng Bijian, was the creator of the concept of pacific emergence.

¹⁰ *Xinhua.com*, 10-22-2007.

Committee, 49.3% come from the “grass roots level,” 12.1% being considered “model workers.”

Certain career paths with additional training have allowed new leaders a genuine expertise in fields which are essential for China's development and its integration in the world system. This was the case of Wang Qishan, for example, appointed to the Politburo, mayor of Beijing, but who was also at the head of the Construction Bank of China, in charge of the implementation of joint ventures with Morgan Stanley and Goldman Sachs; he later became vice-governor of the Central Bank of China.¹¹

In the Central Committee, all the representatives of various interest groups of the “new economy,” major banks and financial institutions, big energy groups, commodities, big transportation and telecommunications companies, are represented, alongside the provincial leaders and top military hierarchy, and can voice their opinion on such difficult issues as financial ones, energy and raw material prices, and the degree of openness of certain industries.¹² Lobbying has begun to emerge, which reflects the existence of specific “interests” mentioned by Hu Jintao in his report to the XVIIth Congress. Zhou Yongkang's appointment to the Standing Committee of the Politburo has been perceived as the emergence of oil interest groups thanks to his long career at the Ministry of Oil industry starting in 1986, then as general manager of China National Petroleum Company (CNPC) beginning in 1996 and then Minister of Land and Resources.

Another essential sector in China's power equation is the army: the persistence of the army's disproportionate representation in the Central Committee and in the other leading bodies, compared with the proportion of members of the military in the Party in general, is significant. Although the military only represents 2.2% of the total members of the Party, they represented 13.3% of the total delegates at the XVIIth Congress, a lower figure than the previous years, but still important, and 18% within the newly formed Central Committee. On the other hand, there are no more military members in the Secretariat.

Pressure groups and networks

¹¹ Dow Jones Newswires, 10-22-2007

¹² One can quote, for example, Zhou Xiaochun, director of the Central Bank of China, Shang Fulin, director of China Securities Regulatory Commission, Liu Minkang, director of the China Banking Regulatory Commission, Li Rongrong, director of the State Owned Assets Supervision and Administration Commission, and Yang Yuanyuan, director of Civil Aviation.

The configuration of pressure groups and factions is not as rigid as it used to be, depending on changes in personal interests, the evolution of career paths and changing allegiances. The Politburo designed in 2002 during the XVIth Congress was considered to be mostly favorable to the previous General Secretary, Jiang Zemin. Despite leaving his position of General Secretary to Hu Jintao, Jiang Zemin, continued to supervise the Party's political positions as well as its choice of members with the help of Zeng Qinghong; this role carries weight in a system that depends on the degree of equilibrium between groups of influence. Today, even though the fact that his followers were among those who had the less number of votes at the level of the Central Committee he apparently still has a certain degree of influence.¹³

In spite of persistent rumors, Hu Jintao did not succeed in radically modifying the balance for his own benefit. The successor which he handpicked, Li Keqiang, whose profile corresponds to the new ideological image of the Party, with his expertise and attention to social matters, only ranked sixth, after Xi Jinping, who, according to inside sources, was only pushed forward relatively late in the game by Zeng Qinghong during the pre-Congress dealings, as a compensation for his withdrawal from office.¹⁴

This first heir is much closer to Zeng Qinghong's network, to Jiang Zemin and most of all a follower of an economic growth model based on the economic power of the coastal regions that Hu Jintao wanted to balance through his policy of scientific development. If the tacit rules of succession are respected, Xi Jinping, number five of the CPBP, and head of the powerful Secretariat of the Central Committee, should fill Hu Jintao's position in 2012. Li Keqiang, currently number six, could succeed Wen Jiabao as Prime Minister whose role since the XVIth Congress has apparently been to express the Party's compassion and interest for the people.¹⁵

Even though the differences between the two men are less drastic than they appear, and their respective political lines do not conflict, the differences in their paths are significant, and the sources of their respective legitimacy are actually complementary.¹⁶ Xi Jinping represents the prototype of the "heir" or "crown prince" (*Taizi dang*), representing an "elitist" faction which accumulates birth rights and privileges including education, money and power. His father, Xi Zhongcun, was a veteran from the Revolution, and also held important positions, at the side of Deng Xiaoping, during the period of political reform at the end of the 70's. He is one of the "founding

¹³ Interview by the author, Beijing, October 2007.

¹⁴ This is the model followed by Deng Xiaoping during the XIVth Congress in 1992. Even though Jiang Zemin was named at that occasion as successor, he was flanked by Hu Jintao, loyal to Deng Xiaoping, who was appointed as heir of the 4th generation.

¹⁵ As early as 1989, Wen Jiabao had accompanied Zhao Ziyang, who was later fired, on Tiananmen Square.

¹⁶ Cheng Li, "One party, Two coalitions," *China Brief*, 12-06--2005.

fathers” of the theory of special economic zones, on which China’s exponential development initially relied on. Xi Jinping was appointed secretary of the Party in Shanghai during the spring of 2007 to regain control of the city following a corruption scandal involving the previous leaders.¹⁷ He also spent a long period of his career in Fujian, a coastal region which has benefited from numerous Taiwanese investments. He has also held various positions in Zhejiang, another developing province around the Shanghai, Hangzhou, and Suzhou conurbation, where Taiwanese investments also predominate. Whatever his personal “work style,” Xi Jinping is a symbol of coastal China, opened to the outside world and business friendly. The choice of Xi Jinping puts into perspective the official line regarding the reduction of inequalities. According to a study published in China out of the 3.220 “rich” people, whose fortune is worth over 10 million euros, the vast majority of them come from the Party’s elite, and 90% have earned their wealth in sectors in which the collusion of interest between economic interests and political interests is the greatest, such as finance, foreign trade, real estate, construction, and securities firms. They all come from the eight coastal regions: Guangdong, Zhejiang, Shanghai, Beijing, Jiangsu, Shandong, Fujian and Liaoning.¹⁸ As if to balance this “wheeler-dealing” image of the system, Xi Jinping is married to a popular singer who sings traditional revolutionary songs in PLA Uniform and recently called for the raising of moral standards in modern pop songs. Furthermore, in terms of promoting public image abroad, Xi Jinping’s image is more cosmopolitan, facilitating a new discourse. He is sold in the Hong Kong media as being a more modern successor, almost “Kennedy-like” in his demeanor,

Unlike Xi Jinping, Li Keqiang has been closer to Hu Jintao since the beginning of the 80’s; like Hu, he has not inherited his position from his family and only owes his promotion to the Party’s Youth League. His career flourished in the poorest inland provinces, in Henan and the North-East areas of China, former Manchuria, abandoned by heavy industry, fiefs of major former State enterprises, affected by a high unemployment rate and considerable social problems, and the destruction of traditional political ties. Li Keqiang, like Hu Jintao, is perceived as belonging to the Youth League faction (*tuan pai*), leading a more populist trend.¹⁹ In Liaoning, Li Keqiang is given the credit of having successfully implemented a low-income housing program for unemployed workers.²⁰ It is interesting to note that he succeeded Bo Xilai, Minister of Trade, and symbol of international openness, who was himself in charge of launching

¹⁷ In reality Hu Jintao attempted to control the Shanghai faction (*Shanghai bang*) and more generally the representatives of the major provincial fiefs who cared little about implementing the directives by the central government to control the overheating economy.

¹⁸ Cheng Li, *op.cit.* [16]

¹⁹ *Idem*

²⁰ An essential element in a system poisoned by corruption and embezzlement.

industrial renewal of the North-East, in particular thanks to Japanese capital, starting at the end of the 1980's.

Therefore Li Keqiang does not represent a throwback to Maoist theories preaching withdrawal from the outside world, a policy sometimes defended by those that have been qualified as the “new left;” he stands for a symbol of a better balance between growth and social issues. In this sense, he appears to be the successor of Hu Jintao, presented as the best candidate to professionally implement the Party's “clean-up” and renewal program.

Following the Congress, the various factions in the PBSC seem to include the following: Hu Jintao can count on Wen Jiabao and on Wu Bangguo' support, but these two figures, relatively neutral, are not very influential; Hu Jintao can also theoretically lean on Li Keqiang, the only representative of the Youth League faction.

On the other hand, the faction closer to Zeng Qinghong, Jiang Zemin's and the “Shanghai band” (*Shanghai bang*) includes Jia Qiling, who survived the corruption scandal in which he was involved even though Hu Jintao presents the fight against corruption as an absolute priority. The fact that he has stayed in power can be perceived as a defeat for Hu Jintao, even though he is, at 67 and a half, just below the mandatory age limit to retire. Xi Jinping, who has personal authority thanks to his statute as heir and his personal network of relations, is said to be close to Zeng Qinghong; he has also developed his career around Shanghai, Jiang Zemin's traditional base.

Among the new recruits, two key positions are controlled by leaders close to Zeng Qinghong and Jiang Zemin: He Guoqiang, at the head of the Discipline Inspection Commission, which is involved in cracking down on corruption, and Zhou Yongkang, who is responsible for security and public order. According to inside analysts, these two appointments will allow Jiang Zemin and Zeng Qinghong to prevent eventual inquiries from affecting their own family interests.²¹

Even if one considers that Xi Jinping, Jia Qiling and Wu Bangguo, will remain neutral, Hu Jintao, was only able to place one ally at the top of the Party hierarchy, and even though he can still count on Wen Jiabao's loyalty, it is a modest result after five years at the head of the Party and 15 years in the Politburo. Even though Zeng Qinghong's departure was considered to be a victory for Hu Jintao, the fact that Li Keqiang only comes after Xi Jinping strongly puts into perspective this retreat. Another indication of weakness is that Hu Jintao's personal secretary, Ling Hua, did not succeed in getting elected for the Politburo, contrary to the usual rule, since Ling Hua was given the key position of Director of General on the eve of the XVIIth Congress.²²

²¹ See also the *Dow Jones Newswires*, 10-22-2007.

²² Wang Xiangmei in *South China Morning Post*, 10-23-2007.

Above all, contrary to an unofficial rule which seemed to prevail, the XVIIth Congress did not choose between two possible heirs of the “fifth generation” of leaders, which seems to indicate Hu Jintao’s lack of authority.

Hu Jintao does not have the same charisma and political weight that Mao Zedong and Deng Xiaoping had, but his predecessor, Jiang Zemin, could not impose a hand-picked heir either, since Hu Jintao was directly appointed by Deng Xiaoping as soon as 1992. A new style of leadership is emerging, while the residual influence of historical leaders is disappearing; this could lead to the strengthening of a collegial system, perhaps sacrificing efficient decision-making, in particular when faced with internal or external crises.

The recognition of the complementarities between the “elitists” – in charge of defending the interests of the leading group inside the Party-State through the encouragement of strong economic development – and the “populists” – who would like to limit the risks of social tension with a compassionate discourse – is emerging.

On the other hand, if one looks further down the ranks of the Party, it appears that Hu Jintao’s influence was more prevalent in what may be a tentative to circumvent the PBSC. According to a Chinese analyst, the changes of the top ranking leaders at lower levels after the Congress were done “rapidly and efficiently.” The new leaders holding key positions, like the Organization Department of the CCPCC, the secretaries of the Party from Shanghai, Liaoning, Jiangsu, Hubei, were rapidly appointed.²³ But another lesson of the Congress is that relational networks are less rigid and potential splits could appear. Therefore, certain analysts mention a new split, between the alumni of the University of Beijing (Beida), where Li Keqiang studied, and the University of Qinghua where Xi Jinping studied.²⁴

Within the Politburo, Li Yuanchao, who has experience in the Youth League of the CCP, former vice-Minister of the “Publicity” (propaganda) Bureau of the State Council and collaborator of Hu Jintao, was appointed at the head of the Organization Department of the Central Committee, in charge, like his predecessors Zeng Qinghong and later He Guoqiang, of all members.²⁵ But only four new members out of 25 are considered to be close to Hu Jintao’s faction: Li Yuanchao, Li Keqiang, Wang Yang and Liu Yuandong.

At the provincial level, Hu Jintao controls up to a third of party leaders and local governors, who also went to the Central Party School and the Communist Youth League. However this curriculum must be put into perspective as, to attain a certain rank, going through the Youth League and integrating the Party’s school, which under Hu Jintao evolved into a kind of “master’s degree” for mid

²³ Interview by the author, Beijing, October 2007.

²⁴ Interview by the author, Beijing, October 2007.

²⁵ South China Morning Post, 10-27-2007.

career professionals, is mandatory, therefore this does not imply any systematic form of allegiance.²⁶

Hu Jintao's capability to renew his control over "dissident" or overly independent authorities can also be seen in the case of Shanghai. Xi Jinping's replacement, appointed head of the city's Party, is a graduate of the military engineering academy of Harbin and a missile specialist, which, symbolically, is not a sign of openness and *détente* for the economic metropolis. Han Zhen, the former mayor of the city, was sent to the Anhui, a landlocked and disadvantaged province, the antithesis of Shanghai's economic power.

As far as the APL is concerned, Hu Jintao has also named many followers in an attempt to enlarge his meager support group. He appointed five of the seven regional military leaders, including those of Beijing and Nanking. At the beginning of 2007, he also named a new general chief of staff, Chen Bingde, who integrated the Military Commission after the XVIIth Congress.²⁷ Hu Jintao also attempted to control security bodies by appointing loyal followers to some key positions: political commissar of the People's Armed Police (PAP), director of the Central Bodyguards Bureau in charge of security for the top ranks of the Party and the State, whose loyalty is obviously essential.

This attempt to circumvent central authorities and the security apparatus is similar to the Maoist strategy of bypassing the center via the periphery, which led during the Cultural Revolution to the radical call to challenge the Central Committee. These semi-unconscious references to a particularly difficult past, difficult for all of the party leaders in general, including, and perhaps mostly for, their heirs, can only strengthen distrust towards Hu Jintao and his less "supple" work style, and strengthen the "elite's" will to contain his power as well as the "populist" power.²⁸

Instead of decreasing, the importance of the "heirs" is indeed growing, representing a new "aristocracy," reflecting the classic phenomenon of elite reproduction. These heirs have had access to the best schools as well as to a network of family relations, and to a relative openness towards the outside world, as well as funding. Within the Politburo, at least seven "heirs" can be identified out of the ten new members. These "heirs" are Liu Yandong, whose father Liu Ruilong was the former vice-Minister of Agriculture, Xi Jinping already mentioned above, Zhou Yongkang whose father was vice-political commissar of the powerful Costind, Bo Xilai, son of the revolutionary veteran Bo Yibo, Li Yuanchao, son of Li Gancheng, former vice-mayor of Shanghai, Wang Qishan, son-in-law of Yao Yilin and Yu

²⁶ Richard Mc Gregor in *Financial Times*, 10-22-2007.

²⁷ Dow Jones Newswires, 10-22-2007.

²⁸ Cheng Li, *op.cit.* [16], and interview by the author, October 2007.

Zhengsheng, Party head of Tianjin in 1949 and first husband of Jiang Qing, Mao Zedong's wife.²⁹

This increasing over-representation of the “heirs” can contribute to stability, in particular regarding the policy of opening up to the outside world which greatly benefited this segment of the population; however it can also harm the adoption of radical measures in times of crises, which a changing Chinese society is sure to confront.

Facing the Party school's “ideologues,” an opposition is emerging to the “ideologues” methods of control, in particular in the struggle against corruption, such as call for denunciations through the establishment of a toll free number or the reinforcement of “criticism and self-criticism” sessions, which brings back unpleasant memories to the regime's privileged. This opposition is motivated by disagreement with the methods and techniques of mobilization rather than with the objectives to stabilize and control the most dangerously devious behavior within the Party.³⁰

²⁹ Benjamin Kang Lim, in *chinaelections.org*.

³⁰ In September 2007, a Bureau for the Prevention of Corruption, under the State Council, was set up. See *GOV.cn*, 09-13-2007. The party constitution states the importance of sessions of criticism and self-criticism.

A consensus around the objectives

However, even if these rivalries are important, in particular for the balance of power at the top of the political ladder, they do not challenge the fundamental consensus which is based on the will to safeguard the system, which depends on the long term survival of the Party. As an analyst emphasized, quoting Mao, “within the Party there are parties, and within the factions, there are factions, this is normal.” Even though there are different trends or factions within the CCP, their interests are not necessarily contradictory. They represent different interest groups, but their final objective is to secure the CCP’s dominant position in China. On that basis, the will to cooperate appears as much more important than the divergences.³¹

This consensus around the CCP was strengthened by increasing worries and a sense of urgency, voiced by Hu Jintao in his report to the Congress, in a sociopolitical context deemed particularly difficult. Under the pressure brought on by globalization, Chinese society is increasingly open to the outside world: 600 million mobile telephones have been officially registered and 162 million web surfers. Access to Internet sites for instant communication such as Youtube and Dailymotion has been difficult to effectively control.³² Since 2002, according to the Hong Kong media, Hu Jintao has organized over 40 work sessions devoted to the topic “the downfall of Empires,” a clear sign of uneasiness.³³ The entire Chinese leadership is concerned by the question of “strengthening the flesh and blood bond between the people and the Party,” to quote Hu Jintao’s report to the XVIIth Congress. This issue appears in the context of a “complicated and volatile” international situation due to increasing pressure put on China since it joined the WTO.

In this context, when the challenges faced by China seem particularly difficult, the fact that Hu Jintao has not completely triumphed within the Standing Committee of the Politburo could also be interpreted as a strategy to self-limit his power, a strategy to spread blame in case of failure.

³¹ Interview by the author, October 2007.

³² During the weeks before and after the Congress, access to these sites was difficult.

³³ South China Morning Post, 10-23-2007

A harsh diagnostic: Hu Jintao's report to the XVIIth Congress

The result of a compromise, Hu Jintao's report to the XVIIth Congress³⁴ presents a diagnostic of the numerous problems which the Party has to attempt to solve. This diagnostic is not novel, the same type of declarations have been made since 2002 by Hu Jintao's team, going back to Prime Minister Wen Jiabao's speech addressed to the National people's Congress, during the spring of 2005. However, the terminology employed by Hu Jintao seems particularly harsh; he writes in particular that "while recognizing our achievements, we must remain aware that they still fall short of the people's expectations," this after 60 years of communism and 30 years of the implementation of a reform policy. "The contradiction which exists between the increasing material and cultural needs of the people and the lagging social production" is qualified in the Party's new constitution as being the main contradiction, a task which the Party must tackle in priority; in reality, the "contradiction" refers to the system's failure to adapt to China's economic and social transformation.

Hu Jintao denounces the party's work style which "does not satisfy the needs in the new situation." As his report lucidly stresses, these shortcomings are particularly serious in that "today people are more independent, more selective and changing." Although he hails economic growth as being successful, Hu Jintao stresses that global productivity remains too low, due to China's insufficient innovation capacity.

Hu Jintao laments that old problems related to growth, concerning people's daily life, have not yet been tackled, leading to increasing unbalance. He states that "in order to build a harmonious society, we will have to create a system in which everybody has access to education, health and retirement pension, and in which all the people are decently housed."³⁵ Hu Jintao also underlines in his

³⁴ Hu Jintao, Gaoju Zhongguo tese shihuizhuyi weida qizhi wei duoqu quanmian xiaokang shihui xin shengli er fendou zai Zhongguo gongchandang di shiqi ci quan guo daibiao dahui shang de baogao, (*Raise very high the banner of Socialism with Chinese characteristics and fight to win new victories in the general development of a society of average wealth: report to the XVIIth Congress of the Chinese Communist Party*), October 15, 2007, <http://www.xinhuanet.com>; see below: "Report to the Congress."

³⁵ "Report to the Congress," *op.cit.* [34]

report the question of the persistent weakness of the agricultural system and the need to guarantee “a place to live” for everybody in the countryside, which is reminiscent of the original slogans of the Communist Party.

In his report, Hu Jintao lists all the issues which must be solved urgently in order to intensify the system’s efficiency during times of accelerated transition. He specifies that the upcoming years will be difficult. He raises the major issue of macroeconomic regulation and the authority of the center over the periphery for the implementation of measures decided by the leadership, due to the emergence of powerful lobbies and group of interests.

The problem of the central authorities’ ability to force the provinces and richest municipalities to include essential needs in their budget and their investments, like health, education and environmental issues, has not yet been solved. On this account, the corruption case which led to the fall of the former head of the Party in Shanghai, is particularly emblematic as the misappropriated funds which were used for investing in real estate, had originally been earmarked for the retirement system at the city level.

Related to this issue, the question of resources and environmental issues management is also mentioned in the report, as well as the social gap between rural and urban areas, and between the inhabitants of urban areas and the floating population of migrants which Hu Jintao encourages the Party to consider. In his report, Hu Jintao calls not only for China’s GDP to increase fourfold by 2020, but also for the GDP per capita to quadruple as well, with the objective set at 2.400 dollars per year and per capita by 2020.³⁶

Hu Jintao also mentions the need to increase in living standards and purchasing power in order to solve the other serious and prevalent unbalance, existing between exports, investments, and domestic consumption.³⁷ These issues represent “long, complex and difficult” tasks, in particular regarding corruption (*fan fuba*), and the “wrong” work style including individualism, feudalism, “the love of money” (*baijin zhuyi*) and hedonism (*Xiangle zhuyi*). Hu Jintao denounces these flaws, a kind of “cancer” eating at the core of the system’s legitimacy.

In his report, Hu Jintao focuses on corruption, a historic issue in China which, before 1949, contributed to the CCP’s victory. The return of this ancient scourge, whose visibility is particularly shocking, also testifies to a deeper tendency, the absence of a feeling of common good and unity in China, while the interest of the family, the clan, the village, and eventually of the province, are given priority over

³⁶ Du Ying, vice-president of the Research Institute on Reform and Development, Beijing, October 2007.

³⁷ According to Fan Gang, an economist specialized in financial issues, trade represents 80% of the GNP, with only a limited part of value added (15 to 20%).

national interests, since the concept of China remains abstract in spite of the recurrent discourse on national unity promoted by the Party.³⁸

By denouncing corruption and the system's poor management, Hu Jintao warns against the risk of a rift within China, in favor of increasingly powerful local interests.³⁹

To remedy all these evils which contribute to the rift in Chinese society and to undermine the party's legitimacy, the new constitution adopted by the XVIIth Congress calls for an improved balance between social justice and efficiency. To quote a Chinese analyst, the main challenge for Chinese authorities is to succeed in changing the type of economic growth from a quantitative one to a qualitative one without sacrificing the quantitative aspect. However, according to the analysts' forecasts, the Chinese economy grows by over 10%, but in reality 5% of this growth "only" takes into account the new generation of workers who recently burst onto the work market. The useful part of this growth rate would only be 5%.⁴⁰

Hu Jintao's report reflects the heated debates which have taken place in China for the past few months within the Party as well as outside of it; these debates tend to oppose the "new left" and the "liberals" with the issue of the speed of reforms and the quality of growth at stake.

³⁸ This explains the difficulties in implementing measures to protect the environment.

³⁹ Cary Huang, South China Morning Post, 10-10-2007.

⁴⁰ Lu Zhongyuan, director of the Research Center on Reform and Development of the State Council. The figures linked to corruption should also be subtracted, which, according to analyses we will detail later, represents 3% of the annual GDP.

The Congress, a reflection of crucial debates for China's future

The XVIIth Congress was preceded and followed by numerous commentaries demonstrating the importance of what was at stake. One of the subjects of these debates was the nature and speed of reforms. According to internal Party sources, the constant reminder of the principle of reform and opening up, including in the new constitution of the Party defined during the Congress, indicates the need to deal firmly with a still dynamic opposition. After two decades of consensus around a sustained growth rate which was sufficient to ensure the success of the Chinese economy, there are again today open debates on development choices, even if divergences are less important than at the beginning of the 1980's. In those days, Deng Xiaoping was in favor of controlled reform, while Hu Yaobang was more open to a debate on political reforms, while Chen Yun supported an "efficient" State planning system similar to the Soviet model from the 1950's.

In this context, the role of old loyalties, which constitute the less visible base for contemporary networks, must be taken into account. Hence, although Xi Jinping's father was a revolutionary veteran, he was also close to Hu Yaobang and contributed to the creation of the special economic zones at the beginning of the 80's. Wen Jiabao was close to Zhu Rongji but also to Zhao Ziyang, fired from his position following the Tiananmen Square events in 1989. These old allegiances imply the rebirth of debates particularly heated at the beginning of the 80's, pertaining to the reinforcement of the role of the State and the separation of power between the Party and the State.⁴¹

One of the essential points, which is not openly recognized by the Communist Party but underlies Hu Jintao's report, and the commentaries which accompanied it, is the subject of political reforms. Li Rui, Mao Zedong's former secretary, purged in 1958 because of his opposition to the Great Leap Forward, then later rehabilitated after the Cultural Revolution, published on the eve of the

⁴¹ Round table on the XVIIth Congress of the Chinese Communist Party, French Cultural Center, Beijing, October 2007.

Congress an article advocating the consolidation of democracy, “the only way to avoid chaos.”⁴²

A debate also developed in 2007 on the validity of the Swedish social-democrat model, following the publication of an article “Learning from Sweden” written by a former editor of the *Renmin ribao*.⁴³ This debate has been condemned by Zhang Jiyun, head of the International Relations Department of the Party. According to Zhang, “China will not copy the Swedish model but will follow its own socialist model with Chinese characteristics, characterized by a better efficiency and governance.”

In this context, two ministers who are not members of the Party – Chen Zhu, Minister of Health and president of the Academy of Medicine, trained in France, and Fang Gang, Minister of Science and Technology, both recruited in the name of efficiency and their recognized competence – have been appointed.

This debates aim at answering growing expectations of the population, for which, according to a survey published by Xinhua, “the essential question today is how to create a control system to limit the abuse of power, to build a social security system, and to implement a more just and egalitarian revenue system.”⁴⁴ For the same analyst, “the slowness of political reform is due to the power game played by interest groups which are keen in preserving the status quo, and which denounce reforms as a source of instability and anarchy.

⁴² *Yanhuang chunqiu*, October 2007.

⁴³ Quoted by Chai Chi-Yuk in *SCMP.com*, 09-26-2007.

⁴⁴ Quoted by Hu Shuli in *Caijing.com.cn*, 10-17-2007 and interview with the author, Beijing, October 2007.

Debates reflecting a difficult social situation

These debates reflect a social situation which is increasingly perceived as being tense, even within the ranks of the most privileged close to the Communist Party. A difficult issue is that of the environment in major cities, which affect the most privileged segment of the population; 90% of the 10% of the richest people live in urban areas, who not only worry about their health but even more for their children's health.⁴⁵

The issue of inequality does not directly affect the urban elite or upper middle class, which the Party leans on, but it contributes to ripping the social fabric. Hu Jintao's report underlines the importance of taking into account the population's "difficulties in everyday life" as for instance – even if, in terms of accumulated growth, the Chinese economy grew by 58% since the last Congress in 2002 – more than 40% of Chinese rural villages still have no access to running, not to mention drinking, water.

According to World Bank statistics, 300 million people live on less than two dollars a day. Since the launch of political reforms, the average income per person in urban areas was multiplied by 18, but it was only multiplied by five in rural areas. In 1978, the average income in rural areas was 624 Yuan per year, and reached 3.336 (333 euros) in 2006, according to the statistics of the Chinese Ministry of Agriculture. During the same period, the average annual income in urban areas went from 607 Yuan to 11.010 Yuan (1.101 euros).⁴⁶ According to Xinhua, the average urban annual income is over three times higher than rural income, when the average figure in the world for this disparity is 1,8.

Beyond the distinction between rural and urban areas, disparities between rich and poor are considerable and a source of discontent; 20% of the richest people in China possess over 50% of the wealth while 20% of the poorest share only 5%. These increasingly obvious disparities have been spreading in urban areas in part

⁴⁵ Interview with the author, Beijing, October 2007.

⁴⁶ Quoted by *The Economist*, 10-11-2007 and <http://www.agri.gov.cn>.

because of the existence of a “floating” population of migrants, whose number is estimated at 210 million according to official statistics.⁴⁷

Chinese authorities contributed to this illusion of power, giving way to greater expectations, by strongly insisting on global figures (fourth world power, third trade power), even though the average income in 2006 was only 600 Yuan per month (60 euros). This image of paramount economic power effectively contributes to the PRC’s influence, to the expansion of its “soft power,” to its strong appeal, and to the legitimacy of the Communist Party by flattering the sense of national pride.

Corruption is another major phenomenon which contributes to undermine trust in the Party. In December, following the recommendations of the Congress, a website encouraging citizens to report corruption was established but, according to *China Youth Daily*, crashed on its first day under the weight of too many hits. According to a study released by the Central Party School, corruption was identified as the first cause for discontent in China. According to figures published by Beijing between 1996 and 2005, corruption represented 8% of China’s national spending and 3% of the annual GDP, a sum which represents more than the national budget for education (one of the regime’s weakest points, even if the government has planned to double the budget allocated to education during the next few years.⁴⁸)

Moreover, corruption strongly contributes to the disequilibrium in growth in that dirty money is mostly reinvested, through family clans for example, in real estate speculation or in the stock market.⁴⁹ Corruption is ingrained in the land distribution system, a source of discontent, State contracts (procurement), financial services such as the attribution of funds, infrastructure projects, and the management of state-run enterprises. The nomination system is also tainted by corruption through the purchase of “good” positions (*mai guan*), which also represent sources of corruption-related income.

For instance, during the days that followed the XVIIth Congress, several official press articles relayed the Party’s directive encouraging the army to “decontaminate” its recruitment system by fighting the purchase of positions within the army. All main departments of the Party-State are concerned by this problem, aggravating the image of a “Party-club” reserved for the elite who are taking advantage of the system, therefore calling into question the principle of the regime’s efficiency, and its medium term survival.

⁴⁷ The term “floating” population refers to holders of a rural *hukou* (a domestic passport), who unofficially settle in urban areas to find work. Today, they remain vulnerable and are generally excluded from social coverage and services attributed to the officially urban segment of the population. To avoid an unchecked rural exodus, Chinese authorities do not wish to question yet the domestic passport system, in spite of limited experimental attempts to do so.

⁴⁸ Minxin Pei, “Corruption Threatens China’s Future,” *Carnegie Endowment for Peace*, Policy Brief n° 55, October 2007.

⁴⁹ Interview, Beijing, September 2007.

However, although corruption is a dysfunction with negative consequences for the regime's support system, it also contributes, because of the cost involved and the insecure criminal factor it implies, to limit the emergence of a new class of leaders who could potentially constitute a new power base, independent from the Party. This scenario of peaceful political evolution is rejected by the party leadership whose aim is, on the contrary, to try to control and limit the potential political consequences of the economic reforms policy.

But the authorities are also facing huge difficulties, the first one being to solve as fast as possible the disequilibrium problems of China's economic growth, to strengthen the domestic market, and to solve environmental issues without modifying the system's foundations, by creating, for example, a legal system which might be independent from the Party.

Despite the difficulty of the task, the XVIIth Congress has attempted to face this challenge of fostering a more "harmonious" growth, by promoting the principle of "man first" (*ren wei ben*).⁵⁰ According to the gloss in articles published during the days that followed the Congress, the main characteristics of socialism with Chinese characteristics must include this principle.⁵¹ These formulations evoke a certain number of more Maoist or "leftist" themes that were recurrent during the Congress and Hu Jintao's speeches; by using this wording, the latter could be satisfying the demands of the new left while pursuing a policy of economic reform which cannot be abandoned.

Hu Jintao's report also stresses that "the medium range income must become the majority's income," reflecting, perhaps subconsciously, a post-war Japanese development model, never officially recognized; nevertheless it is prevalent in subjects like environmental issues and a transition towards economic growth based on more advanced technology and added value.

The report also wants to demonstrate that the Party will better live up to the people's expectations and to renew the people's trust in politics, which is the main condition for the Party's survival. Furthermore, the report attempts to demonstrate that the "people's" needs are being attended to, that the traditional gap between the elite and the nation (more obvious today because of the resurgence of corruption cases) must be filled, in other words to be more reactive while maintaining political control in order to avoid chaos (*luan*) and the end of the system.

⁵⁰ Whose formulation is reminiscent of the slogans from the Maoist era.

⁵¹ See Li Yulin, "Jiakuai tuijin yi gaishan minsheng wei zhongdian de shihui jianshi," www.studytimes.com.cn (*Xuexi shibao*), 17-11-2007.

New missions defined by the Party

The underlying principle of the Party's missions is the re-balancing of development. In Hu Jintao's report, growth is qualified as "of good quality and fast" (*you hao, you kuai*) whereas five years ago at the XVIth Congress economic growth was qualified as being "fast and of good quality" (*you kuai, you hao*). Priorities have apparently been turned around in Hu Jintao's report. In this context, in a thinly disguised criticism of the preceding period and even of certain of the most liberal aspects of the policy of reform implemented as early as 1992 by Deng Xiaoping; the report released by the Congress underlined the necessity to make "everybody" become rich first and no longer a small number of people.

Nevertheless, the Party constitution continues to state that "we encourage some regions and individuals to get richer first in order to make poverty disappear gradually." China cannot afford to discard the stress on high growth rate by sending negative signals. According to Chinese analysts, the annual growth rate must stay over 6% for the system's survival, as Jiang Zemin had already declared at the beginning of the 1990's.⁵²

However, the principle of a moderately developed society (*Xiaokang shihui*) must apply to as many people as possible (*quan mian*). As the new Party constitution stipulates, economic growth must take into account the quality of the environment, and social welfare in general.

To stabilize the economy and improve living conditions, the Party's goal is to maintain or regain the central authorities' control in matters of education, health – the main idea being to implement a health insurance system for the entire population by 2020 – as well as environmental issues. To avoid inflation, the principle of price control must stay in place in specific strategic fields such as energy and food products. In November 2007, the national inflation figure in China was 6.5%. However, although the price of non-edible products only increased by 1.1%, the price of vegetables (+30%), food oil (+34%), and especially pork (+55%) greatly increased: this drastically affects the population whose proportion of expenses for food out of their general household budget is twice that of that proportion in developed countries.

⁵² Interview, Beijing, October 2007.

The main task remains both economic growth and “transforming China into a powerful, democratic, culturally advanced, harmonious, modern and socialist country.” It is in this context that Hu Jintao’s principle of “harmonious society” (*hexie shihui*) has been incorporated into the new party constitution.

This principle of harmony is further defined as “the harmony between urban and rural areas, man and nature, domestic development and opening up to the outside world.” The ratio between investments and exports must be improved through the development of domestic consumption blocked by the lack of social protection and sense of security. According to Hu Jintao, the government must reinvest the health system in order to reach this goal, mostly in rural areas where 700 million people live. It must help finance a pension system which disappeared along with the people’s communes and work units, as well as education.

In spite of the fact that 3.000 “taxes” were registered, levied locally, putting pressure on the poor, mostly in the rural areas; due to endemic corruption and the State’s financial disinvestment, the levy of these taxes does not translate into a real improvement of infrastructural needs like road building in rural areas, health or education.⁵³

Furthermore, the necessity to tackle environmental issues faces the challenge of social issues created by the potential closing of strongly polluting and dangerous factories which employ locals. The head of SEPA (State Energy Protection Agency) deplors this lack of means and warns that, unless difficult reforms are implemented, the objective to improve energy efficiency will not be reached by the end of the 11th annual 5 year plan (2006-10).⁵⁴

The agriculture sector must also be strengthened and the rural workers more protected, in the absence of a system of land ownership which could allow the rural population to obtain funds, at least guaranteeing that the transfer of rights to exploit the land, one of the main causes of discontent in rural areas, would be “voluntary and subject to a real compensation.” Hu Jintao also specifically mentions the improvement of services for the “floating” population, whose size is considerable. He appeals to the Party to, curiously mixing Confucianism and American-style psychology, “show more compassion for the people and improve psychological counseling.”

This new stress on harmony and the necessity to rebalance growth is contained in the principle of “scientific development” (*kexue fazhan guanjian*), included in the Party constitution. During the weeks following the Congress, this new principle has brought on a real political mobilization movement, which, at least in appearance, is

⁵³ Tianya Forum, <http://www.chinadigitaltimes.com>, November 2007.

⁵⁴ Zhang Liqun, vice-Minister, State Environment Protection Administration (Sepa), and interviews, Beijing, October 2007.

reminiscent of the great political campaigns led during the Maoist period. However, beyond the slogans, it is the implementation of these measures (where the difficulties lie), that will make the difference

The economic orientations

As the Congress deals with the general principles, the economic measures implemented to ensure the successful reorientation of the growth principle, a type of “new deal,” defined by Hu Jintao (*hongguan tiaokong*) are not detailed. According to Chinese analysts, the fundamental principle is the principle of a more balanced development. In his report, Hu Jintao more concretely calls for a better macroeconomic regulation (*hongguan tiaokong*) to “improve the economic superstructure and preserve resources and the environment” and to successfully show the path for “the construction of the socialist economy.”

In the Party constitution, an amendment mentions that the Party must “consolidate and develop the public sector and encourage, support and guide the development of the non-public sector” whose subordinate status is confirmed even if its importance is recognized. The commentaries published following the Congress also specify this and stress the importance of strengthening the public sector, while the non-public sectors, private or semi-private, must support the public sector by providing financial services or developing infrastructures.⁵⁵

According to Hu Jintao's report, the industrialization process “with Chinese characteristics,” must be pursued with a stress on independent innovation as well as the conservation of resources. The PRC must make progress in advanced technology through research and development and acquisition of critical foreign technology. Following the example of the space program China will try to build its own high-tech industry in nuclear energy, telecommunication or aeronautics.

These progresses must serve China's military as well as civilian; in both cases, the point is to develop in priority certain strategic sectors which make a real difference at the lowest cost.

As for agriculture, the principle of “socialist countryside,” presented by Wen Jiabao in 2005, has been confirmed. It translates into the idea of spreading development starting from clusters of “giant cities” respecting a policy of balanced development. This implies

⁵⁵ Li Yulin, *op.cit.* [51]; the non-public sectors include all systems of private or collective property.

considerable investments, in particular in infrastructure for roads, water supply, energy or telecommunications.⁵⁶

The policy of opening up to the outside world cannot be abandoned but must be in “harmony” with domestic development.⁵⁷ This theme is at the core of economic nationalism theories, which were voiced in China during the months prior to the Congress. In his report for the Congress, Hu Jintao underlined “the necessity to balance domestic development and opening up to the outside world.” Confirming this evolution after the Congress, the Commission for Reform and Development of the State council adopted new directives, which came into effect on December 1st 2007, aiming at “orienting foreign investments” by prohibiting them in energy and raw material intensive industries, and also in fields which are “harmful for China’s security,” but without a precise definition of the criteria.⁵⁸

⁵⁶ “Report to the Congress,” *op.cit.* [34]

⁵⁷ CCP Constitution and Li Yulin, *op.cit.* [51]

⁵⁸ Sun Zhenyu, vice-president of the Reform and Development Commission. The most polluting and energy intensive industries, like cement factories, could feel threatened by this law, unless they transfer to China advanced “clean” technology. With economic nationalism, a new “ecological nationalism” is emerging in China, which tends to accuse western power of exporting to China the cost of pollution which the West rejects. The possibility of forbidding exports of highly polluting products, for which foreign companies are responsible, has been mentioned. Yuan Qindang, vice-Minister, Sepa, Beijing, October 2007.

Political evolution

Beyond the new principle of scientific development, the other element of the Congress is the importance granted to the principle of intra-party democracy.⁵⁹ This was the first message that the new authorities wished to communicate not only abroad, but also within China. Chinese analysts stress the fact that the existence of factions within the leadership of the CCP and the fact that no one was appointed to succeed Hu Jintao testify to the democratization process in Chinese politics.⁶⁰

Along the same line, in his report, Hu Jintao also denounces “the insufficient effort to improve the legal system and democracy, considering the need to strengthen ‘socialist democracy’ and promote social and economic development.”

The party would like to bypass the requirements for deeper political change, by offering an alternative model to Western style democracy. The implementation of a “consultative democracy” founded on creating a consensus, promoting political consultation to the level of an indispensable element of the decision-making process, would offer a relatively institutionalized channel to voice discontent without endangering the fundamentals of the system and the power base of the leadership.

In November 2007, during his visit to Singapore, Wen Jiabao stressed that this system, close to the Singaporean model, was more acceptable and “efficient” than the western model.⁶¹

The objectives also include strengthening good governance within the Party, to introduce a system of checks and balances to attempt to solve the corruption-related abuse resulting, to quote the official terminology, from “a bad work style.” The new constitution of the Party encourages the officials to “study the point of view of scientific development,” to improve their moral principles, and above all, a new element, to “strictly apply the Marxist principle of honor and dishonor.”

To reinforce good governance, a certain degree of “competition” must also be introduced within the Party, thanks to an

⁵⁹ Fang Ning, vice-president of the Institute for Political Studies of the Chinese Academy of Social Science.

⁶⁰ Interview with the author, Beijing, October 2007. The same analysts stress the fact that Hu Jintao’s power has not waned.

⁶¹ “Report to the Congress,” *op.cit.* [34] and Li Yuanhao, “Tuijin dangnei minzhujianshe zengqiang dang de tuanjie tongyi,” *Renmin ribao*, 01-11-2007.

“electoral system” inside the party which would provide a slightly higher number of candidates than the definitive number, as well as the encouragement of a secret ballot system. As for making the governing bodies assume more responsibility, at the central and local level, a permanent “tenure” system for the Congress has been anticipated, experimentally at first, which would give more power to the Central Committees over leading bodies.

It is therefore within the party, which today has 73.96 million members, that – according to the Congress – democracy must develop, as a sort of experimental model which would spread to the rest of society. In the new Party constitution, self administration is also encouraged at the lowest social level, in villages, neighborhoods, ground level organizations, which implies, or confirms, a decrease in the Party’s role or influence on people’s everyday life.

Yet, at the same time, the Party’s organizations are encouraged to reinforce their mobilization movement by “listening to the people’s feelings,” to quote the terms used by Hu Jintao, with a “floating population” of migrants not taken into account by traditional work units. The goal is to reinforce ties with the most vulnerable segment of the population, in order to take into account subjects of discontent before they lead to violent incidents and demonstrations.⁶²

The will to foster debates and democracy is also motivated by the experience of the fall of the Union of Soviet Socialist Republics (USSR), which constitutes the ever present backdrop of debates within the Party. According to analysts, the USSR made the wrong choice of democratization outside of the Party, while intra-party democracy was not sufficient.⁶³ Ideologically, the question of the USSR and its disappearance is crucial for Chinese leadership. Contrary to appearances, in the eyes of Chinese leaders, the fact that the PRC is the last to “carry the banner of socialism,” endows China with a historic mission. They consider that they will have accomplished the historic mission of preserving communism, at least in one country, and created a legitimate new model if the Chinese Communist Party succeeds in controlling the transition and perpetuating the regime.

The theoretical debates on democracy within the Party represent a way for Beijing to solve the almost impossible ideological equation between fast economic development and maintaining a regime inspired by “Marxism-Leninism.” As the Party constitution claim in its preamble: “the supreme and final goal of the Party is the

⁶² Interview, Beijing, October 2007.

⁶³ Yet, according to Mikhail Titarenko, former USSR ambassador to China and Director of the Institute for Far Eastern Studies, the debates in the Communist Party under Gorbachev were very intense and the respective positions contrasted sharply between “liberals” and those who wanted more control. Interview, Beijing, October 2007.

establishment of communism.”⁶⁴ In his report Hu Jintao encourages the Party to make theoretical innovations and to ponder over the definition of socialism to “sustain and enrich” Marxist theory. This idea of being the sole guardian of the temple since the fall of the Soviet “big brother” is important for Chinese leaders who consider that economic success must not only serve China’s revival but also the revival of Marxist-Leninist theory.

In Hu Jintao’s report, and in the new Party constitution as well as in the commentaries which were written after the Congress, the focus is on the “liberation of thought,” and listening to the rank and file within the Party. Even if this call for reform can be interpreted as encouraging democratic debate within the Party, it is reminiscent, for older leaders or for those who know well the Party’s history, of the more troubling anti-rightist campaign during which Mao Zedong, after launching the “hundred flowers” movement, proceeded to massively repress those who had expressed themselves too freely.

However, reinforcing democracy within the party is perceived today as being the only strategy to accommodate all conflicting interests in China, at both the central and provincial levels where powerful diverging interests are to be considered.

The new “democratic” procedures which presided over the organization of the XVIIth Congress were fully detailed in the press; the appointment of the new members of the Central Committee and of the 127 members of the Discipline Inspection Committee followed the “democratic recommendations” of the Politburo, based on the elaboration of a list of candidates by a working group.⁶⁵ The reinforcement of the “democratization” process (inaugurated during the XIIIth Congress) was greatly emphasized. In 2007 the number of candidates presented for the Central Committee elections was 8.3% more than the total of positions to be filled, and 8.7% more for the Commission for Inspection and Discipline. This figure had only been 5% in 2002.

The process of selecting candidates lasted for over a year following the investigation of 43.000 officials “recommended” by local organizations. In June 2006, a working group examined the candidacies basing itself on “criteria of political integrity, work results on essential questions and political attitude regarding scientific development.” The selection committee also based its decision on opinion surveys, which introduces a certain modern aspect, with its limitations, of the “democracy by survey” criticized in western countries. These surveys are presented as a reinforcement of democracy and a way to better listen to the population’s point of view.

The same process has apparently been implemented for the “competitive” appointment of the 25 members of the Politburo. After

⁶⁴ CCP Constitution.

⁶⁵ *Xinhua.net*, 14-10-2007.

the selection of 200 candidates at the minister's level, based on age, "reputation," survey results, "recommendations from the top," the voters, 400 members of the Central Committee and "significant officials," proceeded to "vote following recommendations" on June 5th 2007. The PBSC reached an agreement after deliberating over a final list on September 27th; this list was ratified during the Congress on October 8th. On the other hand, the institutionalization process of the selection of the nine members of the Standing Committee of the Politburo and of the members of the Central Military Commission was not mentioned, although these committees are at the core of China's political power.⁶⁶

A few weeks after the end of the Congress, the State council published a new *White Paper* on "China's Political Party System."⁶⁷ While calling for a revitalization of "allied" political parties in China, this official report, limits the debate on democratization to reach a consensus, a type of renewed social pact, by encouraging consultations rather than division of society which could only lead to social instability, according to the authorities.⁶⁸

Within the party, the principle of democratic centralism is reaffirmed and, in spite of certain people's expectations, the existence of factions within the party has not been officially recognized, out of fear that the idea of factions could harm the Party's unity and thus lead to a break up of authority.

⁶⁶ Renmin ribao, 10-25-2007.

⁶⁷ *Xinhua.net*, 15-11-2007.

⁶⁸ Cheng Tao, vice-president, Chinese People's Institute of Foreign Affairs.

Ideological work

The XVIIth Congress confirmed the principle of political reform intended to ensure the long term survival of the Party, while reaffirming the limits which should not be overstepped. At the level of principles, the Party constitution confirms the validity of the “fundamental principles”: “Maoist thought, Deng Xiaoping’s theory, and the important theory of the three representations” and “the point of view of scientific development.”⁶⁹

Several subjects which arose during and following the Congress lead to believe that the renewed ideological control is the flip side of the implementation of intra-party democracy. This ideological control can also be seen in the revival of a certain Maoist-inspired “revolutionary style.”

Although Beijing’s new opera house, designed by the French architect Jean Nouvel, chosen by Jiang Zemin, was inaugurated on the eve of the Congress, it was the revolutionary Maoist-inspired opera “Red team of Women” (*Hongse Niangzijun*) which was chosen, and not a “bourgeois” foreign work or foreign-inspired; this opera was one of the seven “official operas” authorized during the Cultural Revolution.

In the Party constitution, officials are reminded of the role of criticism and self-criticism. The Congress was followed by the launch of a traditional political campaign reminiscent of former times on “the study of the point of view of scientific development.”⁷⁰

The need to improve propaganda work is underlined, to “improve the attraction of socialist ideology, reinforce the leading role of Marxism, reinforce the population’s patriotic spirit and efficiently resist erroneous influences and decadent ideas.”

This offensive has concrete consequences for the liberalization of the Internet. In his report, Hu Jintao calls for the implementation of a good “cyber-environment” which would encourage patriotism, collectivism and socialist ideology, and contribute to promote family values and individual moral standards.

⁶⁹ It is noteworthy that the hierarchy of the contributions is respected with an absence of reference to the authors concerning the theory of the “three representations” (Jiang Zemin) and the theory of scientific development (Hu Jintao).

⁷⁰ Renmin ribao, 27-10-2007.

At the institutional level, the intra-party democratization process is offset by the reminder of the inviolability of the principle of democratic centralism “validated by the Chinese economic miracle,” the only way to guarantee the unity of the Party and its stability.⁷¹ To address expressions of discontent, the improvement of the petition system is encouraged, by introducing a petition system on the Internet which could also limit the, sometimes massive, movement of population, which creates problems in the provincial capitals and in Beijing.⁷²

The work of the Congress also focuses on the necessity to improve crises management mechanisms to prevent things from getting out of hand. However, the first element of national security continues to be “ideological” security, as well as the control of “separatist infiltration and subversive activities.” According to Hu Jintao, the expression of democracy must be “orderly” strictly within the limits defined by the Party.

However, under the “scientific development” principle with its strong socialist undertones, there can also be more traditional foundations of political thought which could be qualified as “national-Confucianism.” The traditional concept of “harmonious society” (*hexie shihui*) is related to this ancient trend, as well as *xiaokang shihui* (translated by “moderately developed society”), but related to a specific period of the Chinese Empire: the period of the former Han (206 BC-25 AC) which, after the “warring States period” and the brutal years of the reign of the first Emperor Qin Shi Huangdi, were characterized in official history as “peaceful and prosper.”

Resorting to traditional Confucian concepts like harmony (*he*) and benevolence (*ren*), qualified by State Counselor Tang Jiaxuan, as “Chinese traditional main values,” evokes, mostly for the rural population, old echoes of traditional responses to misfortunes such as corruption and helplessness when confronting the elite. In his report Hu Jintao also calls for the identification of paragons of virtue, who could become models for society. However, by reintroducing historic continuity in ideology, the authorities take the risk of confirming the assimilation between the current regime and the fallible regimes of the past.⁷³

Furthermore, alongside the principle of “peaceful development,” nationalist undertones are also prevalent in the call for “the great renewal of the Chinese nation,” which pepper Hu Jintao’s

⁷¹ Shanghai Ribao, 10-3-2007.

⁷² According to statistics released in China, the number of petitions (*xin fang*) amounts to 12 million a year.

⁷³ Allen T. Cheng, “Hu Invokes Confucius to appease Masses,” *Bloomberg.com*, 10-12-2007.

discourse, and were repeated by various participants expressing themselves on the subject of China's foreign policy.⁷⁴

⁷⁴ A next edition of *Asie Vision* will focus on the more specific aspects of China's defense and foreign policy, following the XVIIth Congress of the Communist Party.

Conclusion

The XVIIth Congress, behind stilted-looking rituals, raised questions which reveal the Party's remarkable lucidity concerning the system's dysfunction. Certain trails have been laid out, at the economic, political and ideological levels, which will have consequences for development choices and China's degree of openness during the next few years.

The subject of the implementation of these decisions, at every level of the Party-State administration, is far from being clear-cut. The question of the degree of authority of the General Secretary, Hu Jintao, and of power sharing at the top was also raised. The absence of a clear choice concerning the succession is not really significant; for it may reflect either Hu Jintao's weakness – incapable of forcing his choices on his peers who reject his omnipotence and his ideological intransigence – or his desire to continue to control the Party while preventing the overly rapid emergence of a dangerous competitor.

The secrecy which continues to shroud power in China does not really allow one to reach a conclusion, even if one can put forward the hypothesis that the Party is evolving towards a collegial system, with an increasing level of consensus in the exercise of power. The commentaries published following the Congress underline the "harmonious" complementarities between the four new members of the Standing Committee of the Politburo: Xi Jinping, in Fujian, encouraged exchanges with Taiwan; Li Keqiang successfully integrated "Marxism, Western economic theory and reforms with Chinese characteristics;" He Guoqiang is "firm when it comes to corruption and implemented a direct line to denounce corruption cases;" and finally Zhou Yongkang, Minister of Security, successfully fought corruption within the police force. Rather than an heir to the Party, there is a new multi-head authority, in which everybody is given a more or less symbolic role to show that the population's preoccupations are taken into account, following the rules of a good casting, not unlike what can be seen in Western democracies.⁷⁵

The positive aspect of this evolution is that an informal check and balance system can help prevent serious crises at the top or dangerous decision-making. On the other hand, the Chinese regime's difficulty in managing crises could be aggravated. Furthermore, the

⁷⁵ *Xinhuanet.com*, 10-22-2007

most crucial decisions regarding economic development and integration to the world could be indefinitely postponed. According to many Chinese analysts, the social measures presented as vital for the Party's survival are challenged by interest groups who claim that it is premature for China to attempt to redistribute wealth in a more egalitarian way.⁷⁶

On the eve of the Olympics, which are a priority for Chinese authorities today, the XVIIth Congress has made a major effort to stabilize the economy and politics. Yet it re-kindles the debate, brutally interrupted in 1989, on political reforms, around the subject of intra-party democracy. Only time will tell to what extent the strategies disclosed during the Congress will be efficient enough to ensure the system's long term stability.

⁷⁶ Interview by the author, Beijing, October 2007.