

China: Factional Stalemate in Beijing

Peter Main Mon, 19/11/2012 - 09:01

Peter Main

Few things are as well organised as the 5 yearly Congress of the Chinese Communist Party. The sheer scale of the meeting, 2500 delegates, and its unanimity, combine to give an impression of order, cohesion and smooth efficiency. Like any other piece of theatre the impression is an illusion.

Behind the scenes, the reality is one of factional intrigue, bitter rivalry, double-crossing, even murder. The Congress itself had to be delayed for more than a month while the factions fought themselves to a standstill. The battles seem to have continued throughout the week long Congress - on the final day, delegates and the international media were kept waiting for an hour before the declaration of the outcome of the battles, the appointment of a new Standing Committee of the Politburo.

Faction fights in the Communist Party are certainly nothing new. It is worth remembering that this is only the second change of leadership that has not been accompanied by extensive purging of the old leaders and even bloodshed. Increasingly, however, the faction fighting has taken on a new character, a new dimension. Twenty years after the decision to restore capitalism, there is the added ingredient of the class struggle. Not, however, the struggle of the working class but of the bourgeoisie.

Since 1949, China has been ruled by a bureaucratic caste organised in, and through, the Communist Party. From the early 50s, the bureaucracy attempted to develop China as a modern industrial economy using the technique of centralised bureaucratic planning essentially copied from Stalin's Soviet Union. Without the democratic involvement of the workers and peasants, that system was inefficient, wasteful and ultimately doomed. Within the bureaucracy, factions formed around alternative policies to try to make the system work while maintaining bureaucratic rule. The factional battles were sometimes hidden and sometimes, as in the "Cultural Revolution", very public. The consequences, the widespread famine of the early 60s, the near civil war of the mid-60s and the inexorable economic decline of the early 70s, could not be hidden.

After a decade and more of experimentation, the faction around Deng Xiaoping concluded, in 1992, that there was no alternative but to restore capitalism, invite back the bourgeoisie to revive and develop the economy and re-integrate China into the world.

Since then, the rapid development of a capitalist economy, to the point where it is now second only to the USA, has given a new content to the faction fighting. In a capitalist society, all serious political conflicts express the interests of contending classes, and fractions of classes. However, although the thousands, possibly millions, of capitalists in China, have a common interest in maintaining the conditions for profitability, under the dictatorship of the bureaucracy, neither their preferred policies for that, nor their sectoral interests can be openly expressed in the form of competing political programmes or parties.

All the different sectors of capital; those originating in small-scale rural industry, those that benefited from the privatisation of state assets, those dependent on overseas investment, those in heavy industry, those

in light industry, those in entirely new private companies, and so on, all have to fight for their particular sectional interest within the confines of the bureaucratic dictatorship. A change in the Communist Party's rules, ten years ago, allowed 'business people' to become members and they now account for at least one fifth of members. That reinforces factionalism in the party.

The bureaucratic apparatus itself also generates factional groupings and, to complicate matters further, at every level, bureaucrats make sure that they, and more importantly their families, accumulate personal fortunes, thereby beginning the process of mutation from bureaucrats into capitalists.

While China's new capitalists may not like the bureaucratic dictatorship, along with the foreign corporations they recognise that it is the only guarantor of social stability. And nobody has to look very far to see what could threaten that stability; the working class in China is now some 350 million strong and no longer prepared to accept the conditions the first generation faced when they moved from the countryside to the towns. Behind them, stand their relatives, more than 600 million farmers whose way of life is disappearing under the impact of capitalist economic development.

Even before the global crisis of 2008 took its toll on the Chinese economy, the constant efforts of workers to improve their working conditions and wages had forced concessions such as increases in minimum wage levels and toleration of unofficial workers' centres. The crisis itself gave added impetus to these developments and a sharpened edge to working class militancy as could be seen in, for example, the strikes at Honda and the repeated 'disturbances' at the high tech plants of Foxconn.

In the countryside, too, there have been widespread and militant confrontations between farmers and local authorities, particularly over land seizures. The most widely reported of these, at Wukan, was only resolved by the election of a new 'village committee' - an open recognition of the need for political representation in society.

As long as the economy was growing at annual rates up to 12 or 13 per cent, there was enough to ensure that most sectors of society could see steady improvement. Now, however, growth rates are under 8% and expected to stay low, by Chinese standards, even without the effects of the economic downturn around the world. This has inevitably sharpened factional rivalries and over the last year the impending change of leadership has focused them on fundamental, strategic questions.

Until now, the leadership of the party has been in the hands of those who oversaw the restoration of capitalism. This grouping, still identified with the figure of Jiang Zemin and with a background in Shanghai, China's financial and commercial centre, could be regarded as the Centre of the political spectrum in the leadership of the party and state. Their strategy is one of encouraging capitalist development and 'opening to the world' while upholding the dictatorship of the bureaucracy. Ideologically, they regard their dictatorship as the only possible guardian of the 'national interest' and equate state control with 'socialism'.

Although their strategy has been responsible for overseeing China's rapid growth, its very success is undermining the legitimacy of their political regime. Quite apart from the diverging interests of different sectors of capital, glaring social inequalities and the increasing class conflicts that they generate have put a question mark over the ability of this faction to maintain its hold.

On the Right of the party, are those who want to see less state supervision and control, greater reliance on the market and, if necessary, political relaxation as a means of ensuring that pressure for social change does not become explosive. One of the figures associated with this current is Wang Yang, the party boss in Guangdong province who was widely tipped for promotion to the top leadership, the Standing

Committee of the Politburo.

On what, in Chinese terms, could be called the Left, are those who think too many concessions have already been made to market forces and wish to see a reassertion of state control and, therefore, the power and prestige of the bureaucracy. For them, the dangers of social conflict can best be reduced by a combination of mass political mobilisation and state-financed rises in living standards, improved provision of social housing, welfare, education and healthcare. Bo Xilai, previously the party boss in Chongqing and candidate for promotion to the highest leadership, but now purged and, presumably, awaiting trial in prison, was the best-known exponent of this line.

The revelations about the huge sums of money transferred abroad by Bo Xilai's wife, with the assistance of the now dead Briton Neil Heywood, as well as the fortune amassed by the family of the outgoing premier, Wen Jiabao, will not have come as any great surprise to Chinese public opinion. After all, everyone experiences party corruption at all levels of society. It is the fact that they were made public that is significant because it reveals the depth of the divisions within the party. The seriousness of the situation and the difficulty reconciling the competing interests of the different factions was what delayed the convening of the Congress.

In the end, it would seem that a stalemate was reached in which the only viable option was to maintain the status quo for the time being. This found expression in the composition of the new Standing Committee, which was reduced from nine members to seven in order to avoid disagreements blocking important policy decisions ? a clear admission of the internal stalemate. Most significantly, this excluded the principal candidates of the Right, Wang Yang and Li Yuanchao. At the same time, the short term nature of this bureaucratic compromise is guaranteed by the fact that a majority of its members, five of the seven, will have to retire by the time of the next Congress in 2017.

For now, the Standing Committee has an inbuilt majority for what we have called the Centre under the leadership of Xi Jinping. Xi's background has perfectly prepared him for this role; his father, Xi Zhongxun, sided with Mao prior to the Long March, rose to be a vice-premier after the revolution, was purged as a ?capitalist roader? in the Cultural Revolution, was re-instated under Deng Xiaoping and became the architect of the Special Economic Zones during the restoration of capitalism.

Xi Jinping himself has a background as a party chief in the coastal provinces of Fujian and Zhejiang and then in Shanghai. He is seen as a protégé of Jiang Zemin, whose role in the outcome was emphasised by his presence on the final day of Congress, despite his having supposedly retired from all political roles 10 years ago. Unlike his predecessor, Hu Jintao, Xi will also immediately take over leadership of the party's military commission.

Despite the over-riding priority of maintaining stability via this compromise, it is likely only to sharpen factional intrigue even further. To the extent that it allows further capitalist development, it will strengthen the Right; should the combination of domestic and global economic woes hold back growth then pressures for a radical change of policy will increase. In any event, arguments over policy cannot be restricted to inner-party debates but are already openly aired amongst academics, technocrats and journalists. This will fuel challenges to state censorship and, more generally, the role of the party.

It is against such a background that demands for democratic freedoms will grow. While they may be first formulated by intellectuals or pro-market liberals, freedom of speech and assembly, disbanding of the secret police, abolition of the ?leading role? of the party, freedom of political organisation and other basic democratic rights are essential to the full development of an independent working class.

To the extent that bureaucratic faction fighting undermines repression, such developments present opportunities for the working class to advance its own interests; building democratic workplace organisation, within the framework of the official unions if necessary, transforming the existing workers' centres from sources of individual advice and support into centres of collective organisation and struggle, making use of new and old media to encourage political debate and the formulation of working class tactics and strategy.

The bureaucracy's response can already be predicted; even greater emphasis on the need for inner-party discipline, attempts to suppress public discussion of political questions, accusations of disloyalty to China against all critics of government policy, renewed chauvinism at home and a more belligerent policy abroad.

For revolutionaries, it will be crucial not only to support democratic demands against the one party dictatorship but to give them a working class content and to argue for working class methods of struggle to win them. Equally, given China's emerging status as a world power, an imperialist power, they must champion internationalism, opposing the poison of chauvinism and nationalism and, perhaps above all, defending the rights of the national minorities within China's borders to self-determination, including secession if they so wish.

The stalemate of the Eighteenth Party Congress ultimately expresses the inability of either the bureaucracy or the bourgeoisie to achieve both economic development and equality within Chinese society and their shared fear of the growing strength of the working class. Their compromise leadership has not resolved anything of any substance and the years ahead will see an increase, rather than a decrease, in the contradictions within their regime. Those contradictions will only be finally resolved when the Chinese workers overthrow the rule of both bureaucrat and bourgeois alike.

Source URL: <https://fifthinternational.org/content/china-factional-stalemate-beijing>