

Chinks in the Armour of the Hu Jintao Administration

Can a Harmonious Society Emerge in the Absence of Political Reform?

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The leitmotif of the much-anticipated Seventeenth CCP Congress in October 2007 was how to give substance to the goal of “constructing a harmonious society.” However, the Hu-Wen leadership’s refusal to undertake real political reforms, especially sharing power with “disadvantaged” socio-economic groupings, has exacerbated differences across disparate classes and sectors. This article argues that “harmony” can hardly be attained while the Party—which is in cahoots with monopolistic business groups—refuses to yield the tight grip it has on power and its ironclad control over the nation’s resources.

The Hu-Wen Team’s Cautious Reform Agenda

Since the Tiananmen crackdown of 1989, each Chinese Communist Party (CCP) Congress—held every five years to select the country’s leadership bodies and to set new policies—has carried with it expectations that somehow, the door to political reform may be opened a bit wider. Since President Hu Jintao and Premier Wen Jiabao took the helm following the Sixteenth CCP Congress in November 2002, these relatively dynamic Fourth-Generation honchos have done much to elicit hopes that some elements of liberalisation associated with late reformers Hu Yaobang 胡耀邦 and Zhao Ziyang 趙紫陽 may sooner or later be resuscitated. Even though the Hu-Wen team has in the past couple of years adopted draconian measures to muzzle dissidents, close down offending NGOs, and wield the proverbial big stick against forward-looking newspapers and websites, a sizable number of liberal cadres and intellectuals are still cautiously optimistic that Beijing will deliver the goods at least regarding limited goals such as *dangnei minzhu* 黨內民主, or “democracy within the Party.”⁽¹⁾

It should be noted from the outset that throughout the first five years of the so-called Hu-Wen *xinzheng* 胡溫新政 (“new deal”), the two leaders and their colleagues have repeated statements made by late patriarch Deng Xiaoping and ex-president Jiang Zemin that China would never adopt “Western-style reform” or institutions such as multi-party elections or the tripartite division of powers among the executive, legislature and judiciary.⁽²⁾ Premier Wen, whose portfolio is economics and not ideology or politics, is generally regarded as the most “progressive”

among Politburo Standing Committee (PSC) members partly due to his association with late Party chief Zhao. And in late 2006 and early 2007, Wen took the initiative to underscore the CCP’s commitment to political reform, at least for the long haul. For example, in an unusual article carried by Xinhua News Agency in late 2006, Wen wrote that science, democracy, freedom and human rights were “not unique to capitalism” but were “values that are all mankind hankers after in our long historical progression.”⁽³⁾ Similar sentiments were stated by the premier during his post-National People’s Congress press conference in March this year.

It is important to bear in mind, however, that the premier will only entertain gradual, non-radical steps toward adopting democratic institutions such as one-person one-vote elections. The cautiousness of Wen’s agenda is evident from what he told the British media while visiting the country last year. “Democratic construction, particularly direct elections, could only take place gradually and incrementally according to the national conditions of [individual] countries,” Wen said. He added that if the masses can run a village properly through the electoral process,

1. For a discussion of possibilities for political reform in the run-up to the Seventeenth CCP Congress, see, for example, Kent Ewing, “China’s democracy debate: The end is nigh,” www.asiatimes.com (a Hong Kong-based web service), 25 July 2007; Joe Kahn, “Hu holds fast to one-party rule in China in major speech,” *International Herald Tribune*, 29 June 2007.
2. For example, Jiang Zemin said in a speech to non-CCP elements in early 2002 that Beijing “will never copy the two-party or multi-party system of the West.” See Xinhua New Agency, 12 February 2002. The CCP’s opposition to Western democratic institutions was also made clear in the State Council’s so-called White Paper on Democracy, entitled “Building of Political Democracy in China,” released on 19 October 2005.
3. See Wen Jiabao, “On the historical tasks of the preliminary stage of socialism,” Xinhua News Agency, 26 December 2006.



A general overview of the 17th Chinese Communist Party Congress

the same principle can “in future” be applied to a township, and then a county, and a province.⁽⁴⁾ It is understood that Beijing is talking about a long-term time-frame for eventually developing nation-wide elections. There are no indications that the Hu-Wen team will revive experiments with upgrading direct elections from the village to the town or township levels, although more than a dozen towns or townships in provinces ranging from rich Guangdong to rural Sichuan experimented with direct polls to choose their leaders in the last years of ex-president Jiang’s tenure. Moreover, senior advisers to Jiang such as former Shanghai political science professor Wang Huning reportedly tried to persuade the leadership to consider a more rapid and substantial pace towards holding direct elections.⁽⁵⁾

It is realistic to expect that only limited reforms will be carried out until the end of the Hu-Wen leadership’s second five-year term in 2013. These efforts at liberalisation have been designed to attain the two major goals of the Hu-Wen *xinzheng*: realising “scientific development” and “constructing a harmonious society.” “Scientific development” is a code word for national development that will take care of the needs of the majority of Chinese, including members of the *ruoshi tuanti* 弱勢團體, or dis-

advantaged classes. Thus, Beijing will strive to strike a balance between economic and social policy: while pursuing high GDP growth rates, central authorities will pay more attention to how the new wealth will be distributed among the country’s disparate sectors. A judicious balance will be struck between the needs and aspirations of the haves and have-nots; between the requirements of the coast and those of the hinterland; and between the hardware (for example, machinery, plants, ports and airports) and the software (the education and health standards of ordinary folks) of economic reform.⁽⁶⁾

The related ideal of a “harmonious society,” first introduced at the Sixth Central Committee Plenum in late 2006, means a

4. Cited in “Wen Jiabao meets representative from the British media,” China News Service, 6 September 2006.
5. For a discussion of the “time-table” for promoting direct elections in China, see, for example, Willy Wo-Lap Lam, *The Era of Jiang Zemin*, Singapore & New York: Prentice Hall, 1999, pp. 392-3.
6. For top CCP leaders’ views on “scientific development,” see, for example, Hu Jintao, “Implement the theory of scientific development, and realise the speedy and good development of the economy and society,” *People’s Daily*, 4 January 2006; Wen Jiabao, “Implement scientific development in a comprehensive fashion,” *People’s Daily*, 17 April 2006.

socio-economic order in which all Chinese can co-exist peacefully and in harmony. It entails the curtailment of social strife and contradictions, which manifested themselves in the 87,000 “mass incidents”—a reference to riots, demonstrations and other disturbances—that took place in 2005 (the last year for which such statistics are available). On a deeper level, “constructing a harmonious society” presupposes that the CCP leadership will play the role of a “mediator” and “balancer” among the interests and aspirations of disparate socio-economic groupings. As the Sixth Plenum communiqué noted, the authorities should “coordinate and regulate the interest relationships among different sectors, and adequately handle contradictions in society.” It further called upon central and regional authorities to set up “scientific and effective mechanisms” for mediating among different vested interests as well as defusing contradictions.⁽⁷⁾

While no radical or thoroughgoing forms of democracy are in the works, Hu and his colleagues have made it clear that they will try to promote social justice, in particular a relatively level playing field for both the privileged and disadvantaged sectors. According to statements made by senior cadres and think-tank members, the CCP leadership will undertake reforms in the following three areas in order to accomplish the aforementioned goals. The first initiative is bureaucratic streamlining and promoting administrative efficiency within the Party and government. The second consists in a circumscribed but potentially significant power-sharing with elite political and socio-economic groupings outside of the CCP. The third—and probably most important—reform is “intra-Party democracy,” particularly allowing China’s 72 million party cadres and members a bigger say in choosing leaders—and in thrashing out Party and state policies. After an adequate level of *dangnei minzhu* has been achieved, democratic institutions and ethos could conceivably spread across the length and breadth of the nation.

Analysis of Limited Administrative and Political Reforms – and their Potential Fall-out

Promoting administrative efficiency and improving crisis management

President Hu is a firm believer in “scientific socialism.” This means that despite the demise of the international communist and socialist movements, it is possible for China to achieve socialist goals provided the Chinese administration is efficient, devoted, and non-corrupt.⁽⁸⁾ For reasons of space, we shall only examine efforts made by Beijing since 2002 to rationalise the Party and government apparatus and render it more “combat ready”

to serve the goals of creating and maintaining a harmonious society.

On the Party side, Hu and colleagues such as Vice-President Zeng Qinghong, who is in charge of Party affairs, have attained some degree of success in curtailing party bureaucracy. One salient effort is the reduction of the number of vice Party secretaries for CCP committees that are running provinces, cities, counties and villages. In the nation-wide reshuffle of the leadership corps of all regional administrations in late 2006 and early 2007, the number of vice Party secretaries was reduced by 806; 5,165; and 41,476 at city, county and village level respectively.⁽⁹⁾ Moreover, in a number of “experimental cities” such as Pudong and Shenzhen, CCP departments that overlap with those of the municipal administration have been pared down drastically. There have also been experiments testing how to ensure that provincial and municipal cadres responsible for fighting corruption or pollution will not be subject to the intimidation or constraints imposed upon their colleagues or superiors within the same regional administrations.⁽¹⁰⁾

On the government side, the State Council has been less than successful in efforts to abolish the entire layer of the town or township administrations—which lie between the county and village governments. This is despite Premier Wen’s announcement immediately upon becoming premier in March 2003 that this bold measure was the only way to promote efficiency while lessening the tax burden on peasants.⁽¹¹⁾ It is estimated that the abolition of a town or rural township will result in 70-odd local-level cadres being taken off the payroll—and a saving of about three million yuan a year. By the end of 2003, the number of towns nationwide had decreased by 375 to 20,226, while townships had shrunk by 575 to 18,064. Moreover, 950 towns and townships were merged. The pace of streamlining, however, slowed from 2004 onward. In the first nine months of that year, merely 864 towns and townships were slashed or merged.⁽¹²⁾ Appar-

7. Xinhua noted in a dispatch on “accidents and mass incidents in 2006,” 18 July 2007, that such incidents had decreased compared to 2005. However, no specific figures were given. For the Sixth Plenum communiqué, see “The CCP Central Committee Plenum’s Resolution on the Construction of a Harmonious Society,” Xinhua News Agency, 11 October 2006.
8. For a discussion of Hu’s concept of “scientific socialism,” see for example, Willy Wo-Lap Lam, *Chinese Politics in the Hu Jintao Era*, New York: M E Sharpe, 2006, pp. 40-44.
9. See “Where have the vice secretaries gone after the streamlining of the regional party committees?,” China News Service, 3 August 2007.
10. Cited in Bi Zheng, “Disciplinary affairs secretaries in the four directly administered cities are directly appointed by CCP central Authorities,” *Guangzhou Daily* (official regional daily), 28 December 2006.
11. Cited in “Premier Wen stresses importance of administrative streamlining,” Xinhua News Agency, 30 May 2003.
12. See “800 million yuan saved through cutting and merging 864 towns and rural townships,” China News Service, 15 November 2004.

ently owing to entrenched opposition from the grassroots, Wen and his advisers had by 2006 stopped mentioning this reform in the media.

Of more direct relevance to the Hu-Wen team's bid to construct a harmonious society is the creation of a comprehensive, multi-pronged *yujing* 预警 ("advance-warning") *cum* rapid-response mechanism to forestall and tackle developments and events that would disrupt socio-political harmony: these range from horrendous traffic and mining accidents to riots, disturbances and acts of urban terrorism. The underlying philosophy of nipping the causes and manifestations of disharmonious socio-political phenomena in the bud is the idea of *ju'an siwei* 居安思危 ("beware of dangers while in the midst of plenitude"), which was spelt out by Hu in 2003. "The leadership collective must have a cool-headed awareness of China's conditions," Hu said. "We must boost our awareness of [possible] troubles and disasters...We must positively address various risks and challenges." Hu also underscored the imperative of assessing and forestalling risks. "We must lower the adverse impact of unfavorable circumstances to ensure stable development and [national] security," the supremo added. "We will succeed if we can forestall problems, otherwise we may fail."⁽¹³⁾

At the highest level, Hu and Wen have set up numerous permanent or *ad hoc* bodies—sometimes called leading groups or co-ordinating committees—in Zhongnanhai, to wrestle with domestic and foreign crises. Subject matters and issues have ranged from the worsening law-and-order situation to the shortage or rising prices of strategic minerals, raw materials, as well as grain and meat. From 2003 onwards, crisis management and rapid-response "command centres" have been set up in every large and medium-sized city. The computer networks of these outfits were to be linked to each other—as well as to the Ministry of Public Security and other relevant units—to facilitate quick deployment of resources to resolve a crisis.⁽¹⁴⁾ The Beijing municipal leadership, for example, formed a Crisis Management Command Centre in the wake of the SARS epidemic in early 2003. The centre has since been beefed up to handle incidents ranging from epidemics and earthquakes to terrorist attacks. Practically all other large cities have similar systems that boast ultra-modern surveillance and crowd-control gadgets, including state-of-the-art equipment imported from Western countries.⁽¹⁵⁾ Hu and company have become firefighters committed to nipping the first signs of instability in the bud. Symptomatic of cadres' "high degree of crisis awareness" is that from mid-2003 onwards, officials of all levels have to keep mobile phones turned on 24 hours a day. There are also stipulations that after a major accident such as a mining disaster or big fire, responsible cadres must be on the scene in two to three hours. A key criterion for promotion—

or demotion—for local-level officials is their ability to maintain stability or "harmony" in their areas of jurisdiction.⁽¹⁶⁾

Co-opting socio-economic elite groups into the party-and-government apparatus

Despite the immense differences between Hu and Jiang, the younger supremo has largely incorporated the Third-Generation leader's "Theory of the Three Representatives" 三个代表. This unorthodox theory was used by Jiang in 2001 to absorb elements within the "new classes"—such as private businessmen, professionals, and *haigui pai* 海歸派, or well-trained "returnees" from abroad—into the CCP. The unstated reason offered by Jiang and Hu is that only well-educated, IT-savvy citizens—and not barely literate peasants or migrant workers—are capable of bringing the "the highest productivity and the most advanced culture" to the Party and China.⁽¹⁷⁾

From 2002 to 2007, the Hu-Wen team has taken pains to induct cadre-entrepreneurs—mostly senior managers of quasi-state owned firms such as the three giant oil monopolies and the state banks—into high-level Party and government jobs. By mid-2007, senior cadres who first distinguished themselves in the world of business include the Party Secretary of Hainan, Wei Liucheng 衛留派; Party Secretary of Wuhan Miao Yu 苗圩; and the Minister at the State Production Safety Supervision Administration Li Yizhong 李毅忠. All eyes will be on the new Central Committee to be licked into shape at the Seventeenth Congress. There are expectations that in addition to state entrepreneurs, several private businessmen who are also Party members may make it to this policy-setting organ.⁽¹⁸⁾

Equally significant was the appointment in mid-2007 of two non-CCP members as State Council ministers. Dr Wan Gang

13. Cited in "Hu Jintao stresses the importance of seizing opportunities in order to push forward development," *People's Daily*, 29 January 2003.

14. Cited in Zhong Xuebing, "Beijing studies crisis management mechanisms," *Wen Wei Po* (a Beijing-run Hong Kong daily), 28 March 2004.

15. Sun Fangcan, "Beijing prepares for establishment of crisis management command center," China News Service, 23 June 2003; "Rapid-response systems to be set up in the cities in five years," *Ming Pao* (a Hong Kong daily), 24 May 2004.

16. The CCP leadership has also instituted a "cadre responsibility system" whereby senior officials have to take political responsibility for mishaps in areas within their jurisdiction. Ministerial-level officials and state entrepreneurs who were forced to resign due to grave mistakes or incidents have included the former Minister at the State Environment Protection Agency Xie Zhenhua and the Chairman of Sinopec Corp., Li Yizhong.

17. For a discussion of the controversial nature of Jiang Zemin's "Theory of the Three Represents," see, for example, Willy Wo-Lap Lam, *Chinese Politics in the Hu Jintao Era*, *op. cit.*, pp. 65-69.

18. At the Sixteenth CCP Congress, quite a few state entrepreneurs as well as the bosses of semi-private companies were already elected to the Central Committee as full or alternate members; they included General Manager of China Aerospace Science and Technology Corp., Zhang Qingwei; President of Haier Group, Zhang Ruimin; and Chairman of Baosteel Group, Xie Qihua.

萬鋼, an expert in industrial engineering and later college president, was named Minister of Science and Technology; and medical Professor Chen Zhu 陳竺 became Minister of Health. Wan is a leader of one of the eight “democratic parties,” political entities formed in the 1930s and 1940s which were co-opted by Mao in the 1950s. Wan’s appointment marked the first time in 35 years that a democratic-party politician had attained ministerial rank. This development has brought some substance to the much-ballyhooed doctrine called the “co-operation and consultation between the central authorities and the eight democratic parties under CCP leadership.”⁽¹⁹⁾ While individual members of these eight democratic parties have become more vocal since the early 1990s, it is true that these outfits are often disparaged as “flower vase” or decorative organs that survive at the pleasure of the CCP. The parties depend on the CCP for operating funds, and many of their leaders are also CCP members. Moreover, the role that non-CCP politicians can play is circumscribed even when compared to the early 1950s, when several democracy-party politicians became vice-premiers and ministers.⁽²⁰⁾ For China’s partisans for political reform, it is particularly galling that the Hu-Wen leadership has cleaved to a “top-down,” *no-lesse oblige* type of approach to expanding the CCP’s power base as well as consultation procedures. Despite the commitments that Fourth-Generation leaders have made to boosting the stature and improving the rights of disadvantaged groups such as peasants and factory workers, the latter have had negligible representation on governing councils such as the CCP Central Committee. Equally significantly, non-CCP affiliated trade unions or farmers’ unions have remained illegal despite protests from international labor organisations. This is despite the fact that worker and peasant associations could at least function as safety valves through which members of *ruoshi tuanti* can air their grievances. Unions could also enable these *bona fide* proletarians to effectively bargain with the state and big business groups for higher wages or higher procurement prices for farm produce.⁽²¹⁾

Boosting “dangnei minzhu” and “dangnei hexie”

While introducing the ideal of “constructing a harmonious society” at the Sixth Central Committee plenum, Hu played up the principle of *dangnei hexie* 黨內和諧 or “harmony within the Party.” *Dangnei hexie* is just the flip side of the coin of *dangnei minzhu*: this means that while the Leninist principle of “democratic centralism” is still being observed, Party cadres and senior Party members will have more say in the selection of their leaders—as well as the overall formulation of policy.⁽²²⁾ If *dangnei*

minzhu is successful, the CCP leadership might be more predisposed to liberalising the political structure and processes in other sectors of the polity.

In the first year of their administration, the Hu-Wen team made a series of symbolic gestures in the direction of *dangnei minzhu* and *dangnei hexie*. For instance, Politburo meetings were for the first time reported in the media (even though the official Xinhua News Agency only gave the briefest of information). Then from the Second Central Committee plenary session onwards, Hu has delivered his state-of-the-Party address in the form of the Politburo’s report to the Central Committee. In the context of Party rituals, this signifies that the Hu-led Politburo holds itself accountable to the Central Committee, which voted it into office at the Sixteenth Congress.⁽²³⁾

From late 2006 onwards, the propaganda machinery has made much of the fact that the Seventeenth Congress will be a showcase for *dangnei minzhu*. In July this year, the authorities released the names of the 2,217 *daibiao* 代表 (delegates or deputies) to the Congress: it was the first time in the Party’s history that the identities of these deputies were made known well ahead of the congress. Moreover, Xinhua and other media claimed that a larger degree of democracy was exercised when ordinary Party members in different units and regions nationwide chose these *daibiao* earlier this year. The composition of the deputies had undergone notable changes: 28.4% were “front-line” cadres or workers of different professions, four percentage points more than at the Sixteenth Congress. There were 445 female representatives and 242 deputies hailing from the ethnic minorities, respectively 63 and 12 more than those attending the Sixteenth Congress. Most significantly, the CCP leadership has promised a more substantial version of *cha’e xuanju* 差額選舉 (elections where the number of candidates is larger than the posts up for grabs) when the deputies select Central

19. See Cui Shixin, “Non-communist personages as ministers,” *People’s Daily*, 10 July 2007.

20. Most of the non-CCP ministers and vice-premiers were classified as “rightists” and ruthlessly persecuted during the Anti-Rightist Campaign that started in 1957. Their tragic fate has, right through to the current epoch, dealt a strong blow to the morale of members of the eight democratic parties, most of whose leaders are only too aware of the lack of tolerance of the CCP.

21. There are about 150,000 “Farmers’ Professional Associations” in rural areas that are approved by authorities; however, the FPAs, which involve about 3% of all peasants, only handle technical matters such as providing help with mechanisation. See “Strength in numbers: farmer associations,” [www.chinaeconomicreview.com](http://www.chinaeconomicreview.com/cer/2007_04/Strength_in_numbers_farmer_associations.html) site, April 2007, http://www.chinaeconomicreview.com/cer/2007_04/Strength_in_numbers_farmer_associations.html. *Bona fide* farmers’ unions have sprouted in a couple of provinces such as Hunan (the birth place of Mao), and these organisations have acted as peasants’ lobbyists, much to the chagrin of local CCP authorities.

22. “Expatriating on the ‘Resolution’ of the Sixth Plenum: to use intra-Party democracy to implement a harmonious society,” Commentary by Xinhua News Agency, 18 December 2006.

23. Cited in Jiang Xun, “Beijing seeks checks and balances at the Seventeenth Congress,” *Yazhou Zhoukan* (a Hong Kong weekly), 12 August 2007.

Committee members at the Congress. The “margin of elimination,” which was 10% when competitive elections were first introduced at the Thirteenth Congress, will be increased to 15%.⁽²⁴⁾

On the eve of the Congress, the Party’s spin-doctors have also floated speculation that *cha’e xuanju* may be possible when the Central Committee picks the future Politburo at its first plenary session one day after the conclave closes.⁽²⁵⁾ Political analysts in Beijing say the CCP is under pressure to take serious steps on intra-Party democracy partly due to much bolder strides made in the same area by the Vietnamese Communist Party in 2006. However, at a time when it is widely thought that Hu is obsessed with the imperative of elevating protégés from his powerful Communist Youth League Faction to the Politburo and the PSC, the room for Party officials and the rank-and-file to freely choose their leaders will be limited.⁽²⁶⁾

The Cost of Shelving Political Reform: Exacerbating Social Disharmony and Worsening Administrative Malaise

The Hu-Wen team’s failure to pick up the threads of political reform spun in the mid-1980s by late leaders Hu Yaobang and Zhao Ziyang is one key reason for Beijing’s failure to maintain political harmony. The CCP leadership’s vaunted “putting people first” dictum is confined to enlarging Beijing’s largesse for the *ruoshi tuanti*. For example, agriculture tax was cancelled in 2005, and Beijing is spending more on boosting rural infrastructure, including “software” items such as health and education. More significantly, the social security net has been gradually extended to the countryside. For instance, *dibao*, or minimal-level cost-of-living subsidy, is now available to more than 100 million peasants.⁽²⁷⁾ This new dispensation will go some way toward relieving the hardship of the up to 200 million Chinese who still live below the poverty line if United Nations yardsticks are used. However, mere state subventions are no substitute for genuine power sharing. It is only when the weak and disadvantaged social groupings are given the same opportunity to take part in decision-making—and take home a fair share of the fruits of economic development—that real and lasting harmony is possible.

The perpetuation of an unequal playing field

The goals of both “scientific development” and a “harmonious society” can only be reached through the introduction of a level playing field—or a body of unbiased and transparent rules of the game—for competition among China’s increasingly fractious

socio-economic sectors. In particular, what Beijing admits to be a *cuguang* 粗犷 (“rough and quantity-oriented”) kind of economic growth must not result in the exploitation of the weak by the strong. As discussed earlier, the CCP has to acquit itself of the task of being a judicious referee-cum-mediator to ensure fair play among the classes.

The power equation in Chinese politics of the mid-2000s, however, runs counter to the Hu-Wen team’s slogans such as “putting people first” or promoting social justice. In their first five-year term, the Hu-Wen team has in effect strengthened what pundits call the unholy alliance between Party cadres and big business. This is attested to by the large number of retired Party officials as well as “princelings” (the offspring of Party elders) playing important roles in the business world. Cadres and princelings also figure prominently among the top executives running the 160 or so state monopolies and oligopolies. The latter, including the oil and electricity firms, airlines and banks—hold assets that are close to 60% of GDP.⁽²⁸⁾ Affiliates of this unholy alliance have monopolised the benefits accrued from nearly twenty years of unbridled economic growth, while the disadvantaged sectors seem to be getting little more than the crumbs.

Other observers have commented on the Latin-Americanisation of China. This is a reference to the CCP elite’s reliance on the People’s Liberation Army (PLA) and the People’s Armed Police (PAP) to deflect if not suppress protests from dissidents, and particularly, social groupings who have lost all hope of getting their fair share of the pie. It is no accident that as a reward for their service, the Hu-Wen leadership has rewarded the armed forces not only with double-digit annual budget increases but also considerable decision-making powers. While the PLA and PAP have a combined strength of slightly more than three million officers—they are expected to retain their traditional 20% share of Central Committee slots at the Seventeenth Congress.⁽²⁹⁾ It seems evident, therefore, that the CCP is no longer capable of playing the role of an impartial mediator or referee. The

24. “Six characteristics of the deputies to the Seventeenth CCP Congress,” *Wen Wei Po*, 5 August 2007.

25. See Jiang Xun, “Beijing seeks checks and balances at the Seventeenth Congress,” *op. cit.*

26. For a discussion of Hu’s efforts to elevate his protégés to the Politburo at the Seventeenth Congress, see, for example, Benjamin Lim, “China appraises next generation leaders for loyalty,” Reuters, 12 May 2007.

27. For a discussion of latest policies on extending the social-security net, see, for example, Huang Ju, “Central authorities to spend 200 billion yuan to ensure fair distribution of social-security subsidies,” *People’s Daily*, 18 April 2007.

28. For a discussion of the nature of China’s state monopolies, see, for example, Willy Lam, “Hu’s Economic Policies: Liberalizing the Economy or Promoting Special Interests?” *China Brief*, Jamestown Foundation, Washington D.C., 8 August 2007.

29. For a study of the PLA’s share of political power in the party-and-state apparatus see, for example, David Shambaugh, “The changing of the guard: China’s new military leadership,” www.inpr.org.tw website, 24 January 2003, www.inpr.org.tw/activities/20030124_4.pdf.

Party's existence is predicated upon a symbiotic relationship with powerful business and political groupings both inside and outside China. And the latter, including quasi-private corporations as well as Western multinationals, seem willing to uphold or at least acquiesce in the CCP's ruling-party status as long as they are able to retain or enlarge their business and other vested interests under the status quo.

The sad reality of weak and ineffective governance

Despite the apparent effort that the Hu-led Politburo has put into raising the level of "scientific decision-making" and efficient implementation of policies, the quality of overall administration has deteriorated. One only has to look at two areas that have a gargantuan impact on national strength and people's livelihood. One consists of *hongguan tiaokong* 宏觀調控 (macro-economic control and adjustment) measures taken by the State Council since 2004 to cool down overheating in the economy, particularly in sectors such as the property and stock markets. The other is Beijing's losing battle against environmental despoliation: economic losses due to ecological and environmental factors now add up to 10% of GDP, according to official estimates.⁽³⁰⁾

Since early 2004, the Wen cabinet has tried hard to curb irrational exuberance in different aspects of the economy, particularly excessive fixed-assets investments, and speculation in properties and in stocks and shares. While Wen had at the start of 2005, 2006 and 2007 set the goal of annual GDP growth at between 8% to 9%, the result has been in excess of 11%. Moreover, there is no sign of the state having gained better control over investment, the money supply, or runaway prices. This is despite the fact that the central bank has raised the interest rates—as well as the capital adequacy requirement of commercial banks—several times. And with inflation having grown to 5.7% for the month of July 2007, there are signs of the State Council resorting to government fiat to reassert control.⁽³¹⁾

The picture of the country's environment is much bleaker, with experts from both China and abroad wringing their hands over the phenomena such as stinking rivers and lakes as well as fast-expanding deserts. Peasants in more than 60% of the country's rural counties and villages have no access to clean drinking water. The underground water systems in more than 50% of cities are described in official documents as "severely polluted." Acid rain falls over 30% of Chinese territory. About 27.5% of the country is hit by different degrees of desertification and soil erosion. And the World Bank estimated in mid-2007 that 750,000 Chinese "die prematurely" every year due to pollution.⁽³²⁾

Here again, policies and injunctions from Beijing have proven to be ineffective. None of the environmental targets contained in the Tenth Five-Year Plan (2000-2005) were met. Of all the provinces and major cities, only Beijing was able to pass muster concerning pollution criteria set for the year 2006: cutting energy use per unit of GDP by 4% and decreasing the discharge of pollutants by 2%. Opposition from regional "warlords" as well as industrial lobbyists has killed Beijing's efforts to impose "green GDP" standards on the localities.⁽³³⁾

Even the authorities have admitted that failure to control or minimise the negative fallout of *cuguang* economic growth has exacerbated the hardship of ordinary folks. By 2006 and 2007, for example, even members of the urban middle class are moaning under the yoke of heavy mortgages. And the double-digit increases in the prices of different kinds of foodstuffs are sure to further stoke the anger and frustration of the *ruoshi tuanti*. At the same time, environmental despoliation has become a significant root cause of the tens of thousands of "mass incidents" every year. The large-scale demonstration in mid-2007 by middle-class residents of Xiamen against the construction of a chemical factory has shown that gripes and discontents have spread from peasants to urban dwellers with substantial incomes.⁽³⁴⁾

Should large-scale unrest break it, it is unlikely that the vaunted "advance warning" and "rapid-response" mechanisms put together under the Hu-Wen *xinzheng* can keep chaotic forces at bay. The authorities have claimed that the number of "mass incidents" in 2006 had declined—although no new figures have been given. Anecdotal evidence suggests that local-level cadres have become numb and inept simply because they have been asked by central and provincial authorities to guard against too many kinds of *tufa* 突發 incidents. In July this year, cadres running Tengchong 騰衝 County in Yunnan province were taken to task because they had been slow to mobilise rescue teams to the site of a mudslide, which killed 29 inhabitants. In response, a senior county official said that from January 2007 onwards, he and his colleagues had been asked by regional authorities to de-

30. Cited in "Pollution costs equal 10% of China's GDP," *China Daily*, 6 June 2006.

31. For a discussion of Beijing's series of macro-economic control and adjustment mechanisms, see, for example, "China under policies of macro-economic control and adjustment," Xinhua News Agency, August 1, 2007; "Central authorities have ordered local governments to tightly control price levels," China News Service, 15 August 2007.

32. Richard McGregor, "750,000 a year killed by Chinese pollution," *Financial Times*, 2 July 2007.

33. "Environmental protection goals of the 10th Five-Year Plan period have all been flunked," *Wen Wei Po*, 14 March 2006; "Why only Beijing has met the goals for energy savings," *People's Daily*, 23 July 2007; Shi Jangtao, "Green GDP figures on hold indefinitely," *South China Morning Post*, 23 July 2007.

34. For a discussion of unrest sparked by anger over environmental despoliation see, for example, Jonathan Watts, "China blames growing social unrest on anger over pollution," *The Guardian* (London), 6 July 2007.

sign *yujing* 预警 measures to handle 120 possible types of mishaps. The result is that, in the official's words, "our *yujing* systems exist only on paper": the county government simply lacks the personnel and other resources to tackle so many eventualities.⁽³⁵⁾

Conclusion: Why the Goal of a Harmonious Society Remains Illusory

The Hu-Wen leadership's apparent unwillingness to entertain a broader vision of political reform is all the more deplorable because even a minor liberalisation of their Leninist statecraft could make a disproportionately big contribution to building a harmonious society. What is needed are not necessarily radical and dramatic steps such as the speedy introduction of multi-party politics. For example, a more tolerant attitude toward the inchoate civil society could go a long way in alleviating inter-class contradictions and acrimony.

NGOs as well as individual activists have since the late 1990s been doing voluntary and valuable work for thousands of members of *ruoshi tuanti*. Since the late 1990s, a rash of NGOs specialising in "green" issues and human rights have been performing valuable services for victims of land expropriation and environmental degradation. These NGO leaders or individual activists are all well-educated professionals who have no desire of challenging the political order. For example, since the turn of the century, Shanghai lawyer Zheng Enzhu 鄭恩寵 had donated his time and resources to helping poor Shanghai residents resist efforts by developers—who enjoy the support of corrupt officials—to evict them from their humble dwellings. Zheng's whistle-blowing efforts eventually led to the incarceration of Zhou Zhengyi 周正毅, the rags-to-riches speculator who had many Shanghai cadres and princelings in his pocket. However, Zheng was himself arrested on trumped-up charges—and he received the same three-year jail term as Zhou in 2005. By mid-2007, a few dozen or so "activist lawyers" like Zheng have either been locked up or put under 24-hour surveillance by police or state-security agents.⁽³⁶⁾

While talking about Beijing's uphill battles against corruption and pollution, officials have often conceded that they need the support and participation of the public: at the very least, media scrutiny as well as hues and cries raised by motivated citizens could alert the authorities of impending disasters. In fact, civic-minded whistle-blowers are often more effective than the Hu-Wen leadership's *yujing* system in forestalling major disruptions of socio-political harmony. Vice-Minister at the State Environment Protection Agency Pan Yue 潘岳, a liberal cadre, pointed

out in early 2007 that "we need broad public input [for fighting pollution], because the public are the biggest stakeholders in the environment."⁽³⁷⁾

Unfortunately, the majority of government departments—especially provincial and municipal administrations—regard green activists as troublemakers, or even anti-government agitators. Take the scandal over badly polluted Lake Tai 太湖, which made international news in mid-2007 because its water had been enveloped by poisonous blue algae. Wu Lihong 吳立紅, a 39-year-old environmentalist, had for the past 15 years called on the local government to shut down dozens of factories that had pumped untreated effluents into the lake. Even as local authorities were cracking the whip on these errant factories, however, Wu was arrested by local police for alleged "blackmail" and disturbance of public order. A similar fate has befallen activists who took the lead in organising protests against polluters who in many cases enjoyed the protection of corrupt local officials.⁽³⁸⁾

Facts and analysis presented in this paper have lent credence to the argument that the Hu-Wen team's excessively narrow approach to political reform will impede their bid to usher in a harmonious society. The frame of reference of *dangnei minzhu* is too restrictive for the purpose of reinvigorating central and regional CCP committees—and rendering them suitable vehicles for fostering social harmony. Efforts by the CCP to reach out to other socio-economic sectors and groupings such as businessmen or members of the eight democratic parties may raise the quality of decision-making to some extent. However, Beijing's refusal to talk to representatives of the *ruoshi tuanti*—which form the great majority of Chinese—on an equal footing means that policies designed to promote the peaceful and symbiotic co-existence of myriad classes and interest blocs will be biased in favor of holders of vested interests. It is true that in the foreseeable future—and certainly within Hu and Wen's second five-year term—Beijing can keep the forces of instability and even revolt at bay thanks partly to the party's still formidable control mechanisms. However, real progress in establishing a harmonious society could remain illusory in the absence of thoroughgoing political reform and power-sharing. •

35. Cited in "'On-paper-only' yujing systems are worse than not having them at all," *Nanfang Daily* (an official paper in Guangdong Province), 30 July 2007.

36. Cited in "Beijing delaying release of human rights lawyer," Associated Press, 3 June 2006; Mark O'Neill, "Zhou Zhengyi has lost his best friend," www.Asiasentinel.com, 20 February 2007.

37. See "China environment official wants action by citizens," Reuters, 26 April 2007.

38. Christopher Bodeen, "Chinese lake pollution activist jailed for three years," Associated Press, 11 August 2007; for a discussion of Beijing's treatment of activist lawyers, see, "Setback for the rule of law – lawyers under attack in China," Briefing by Human Rights in China, New York, 28 February 2007, <http://hrichina.org/public/contents/article?revision%5fid=44543&item%5fid=34781>