

Chapter X China's Political Governance: Transformation from Jiang Zemin to Hu Jintao

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1. Introduction

Soon after the closure of the 16th National Congress of the Representatives the Chinese Communist Party (CCP) that was held in November 2002, Jiang Zemin, who transferred the position of General Secretary to Hu Jintao, stated that the Congress had achieved “a smooth succession of the Party’s central leadership.”¹ However, the succession of leadership of the Communist Party, state, and military, which are the most significant actors in China’s decision-making process, needed to wait until March, 2005. In the 3rd session of the 10th National People’s Congress (NPC) that ended on March 14, 2005, Jiang Zemin resigned as the Chairman of the State Central Military Commission and Hu Jintao was elected as his successor.

Thus, Hu Jintao was appointed as the General Secretary of the CCP in the 16th National Congress, as the President of the People’s Republic of China (PRC) in the 1st Session of the 10th NPC, as the party’s military chief in the 4th Plenum of the Central Committee held in September 2004, and as the chairman of the State Central Military Commission in 3rd Session of the 10th NPC. This led to the dissolution of the two-tier power structure from Jiang Zemin to Hu Jintao. Hu Jintao seized power of the Communist Party, state, and military. This was the first time since the establishment of the PRC in October 1949 that the transition of supreme power was carried out with no confusion.

Thus, the Chinese administration underwent a transition in which the 4th generation leaders headed by Hu Jintao succeeded the 3rd generation leaders under Jiang Zemin, whose regime had lasted over 15 years from 1989. The Hu administration has now entered its third year and is steadily cementing its power base by proposing an original set of policies. With regard to China’s domestic policies, this change is particularly evident from the following two policies: “The View of Scientific Development” and “strengthening the party’s ability of administrative management and institution.” On the other hand, with regard to its foreign policies, the Hu administration is pursuing a diplomatic course that is more “equidistant,” practical, and cooperative.

However, it is still difficult to suggest that the era of Hu Jintao has begun with

a solid political foundation. Moreover, it is rather early to state whether or not the Hu administration would be able to demonstrate its originality. The administration still faces “difficulties and problems.” With regard to domestic politics, Hu Jintao has yet to develop a political power base. The Hu administration has adopted a system of collective leadership; however, Hu Jintao is not called as “the core of the leadership” (a position that Jiang Zemin enjoyed during his presidency); rather, he is known as the “unit leader,” which means the commanding officer. Although he is the General Secretary, he does not possess absolute political power, and more than half of 9 members of the Politburo Standing Committee of the CCP are still perceived to be under the influence of Jiang Zemin. Moreover, it is possible for the bureaux of the national and local governments to resist policy implementation. On the economic front, the Hu administration faces the task of preventing the Chinese economy from becoming a “bubble economy,” while on the social front, it often faces petitions from the socially vulnerable, civil commotions, and petitions of objections from farmers and unemployed workers due to the widening gap between the rich and the poor that is a result of China’s rapid economic growth. Considering these issues as significant concerns, the Hu administration proposed “The View of Scientific Development,” which is aimed at developing a “Harmonious Society” that emphasizes balanced and cooperative growth. Notwithstanding this announcement, the local governments have attempted to pursue their own local growth policies. In fact, one of the chief reasons for over-heated investments in China today is the egotistical attitude of the local governments.

The PRC is currently experiencing rapid progress in the localization of social classes and diversification of values through the development of the economy that has been adapted to the free-market mechanism. Moreover, with the growth in the power of public opinion and local governments, the central administration could no longer sideline them in the decision-making process. Under changes in relations between the administrations and the people and between the center and the local, the CCP, in the 4th Plenum of the Central Committee held in September 2004, declared that it would adopt a serious stance on “strengthening the party’s ability of administrative management and institutions.” However, the feasibility of these reforms under the Chinese political system dominated only by the CCP is doubtful. This is largely due to the difference between the Chinese system and a democratic one, in which the reform of the decision-making system relies on certain fundamental pillars, such as increasing transparency and establishing accountability in decision-making and policy implementation.

Thus, as Japan attempts to maintain a stable relationship with its neighboring PRC, it is extremely important to identify and analyze the changes in the Chinese decision-making process and highlight its limitations as well as its implications on China’s relationship with Japan.

2. Decision-Making in the Jiang Zemin Era

Jiang Zemin was elected as the General Secretary of the CCP soon after the Tiananmen Square Incident in June 1989. Zhao Ziyang, who was the General Secretary at the time of the incident, was politically outmaneuvered by the party's ruling elders headed by Deng Xiaoping and other conservatives. He was held responsible for the incident and dismissed as the General Secretary, and Jiang Zemin was selected to the position. Initially, despite the fact that he was a member of the Politburo of the Communist Party Central Committee, Jiang Zemin had to rely on the strong endorsement and support of Deng Xiaoping. This was because he had neither a strong political base of supporters in the party nor any experience as the leader of the party center. As the successor of Deng Xiaoping, Jiang Zemin took over as the Chairman of the Central Military Commission of the CCP in November 1989 and as the Chairman of the Central Military Commission of the PRC in March 1990. He eventually succeeded Yang Shangkun as the President of the PRC in March 1993. Thus, at this point, he dominated the three powers of the party, state, and the military. Nevertheless, in the 1st Plenum of the Central Committee of the 13th National Congress of the Representatives of the CCP held in November 1987, the secret resolution of "entrusting the most important issues to Deng Xiaoping's leadership" was deemed valid, and it became necessary to gain Deng Xiaoping's approval in deciding important policies. Deng Xiaoping's "Speech of the South Tour" in the spring of 1992 was a symbolic example that expressed the power that he wielded. The speech provided an "acceleration" of "policies of reform and open door" that had been stagnating since the end of the Tiananmen Incident. Jiang Zemin, who did not have the absolute approval of Deng Xiaoping, the ruling elders, and the conservatives, changed his posture in favor of "acceleration" after Deng Xiaoping issued his reprimand that "anyone who does not intend to accept the reforms should resign."²

It was at the 4th Plenum of the 14th Party's Central Committee held in September 1994 that the establishment of the leadership with Jiang Zemin as its "core" leader was declared. The Plenum communiqué clarified that "the succession process of the Party's central leadership has smoothly been completed" from the 2nd generation headed by Deng Xiaoping as the "core" leader to the 3rd generation headed by Jiang Zemin as the "core" leader.³

In this political reshuffle, during his appointment as the General Secretary, Jiang Zemin incorporated key party cadres from Shanghai as the members of the bureaucracy in Beijing. He appointed his key ally from Shanghai, Zeng Qinghong, as the Deputy Director of the General Office of the CCP Central Committee in Beijing. Later, Jiang Zemin promoted Zeng to important positions including the Director of the General Office of the CCP Central Committee, Director of the Organization Department of CCP Central Committee, Member of the Standing

Committee of the Politburo of the CCP Central Committee, and Vice President of the PRC. Accordingly, Jiang Zemin consolidated his political base by incorporating his allies and supporters from Shanghai into the central government structure. Political leaders who were more experienced as members of the party's central leadership and had stronger human networks than Jiang Zemin were forced to retire; for instance, Chen Xitong, who was a Member of the Politburo of the CCP Central Committee and the Secretary of the CCP's Beijing Committee, was arrested on charges of corruption, while Qiao Shi, who was Jiang's foremost political rival and a Member of the Standing Committee of the Politburo of the CCP Central Committee, was forced to accept retirement. As for the People's Liberation Army (PLA), although Jiang Zemin initially lacked influence over it, he forced "Yang Brothers" (Yang Shangkun, the President of the PRC, and his brother General Yang Baibing, the Secretary General of the CCP Central Military Commission) to retire, and gained the loyalty of a number of new military leaders who were promoted to the general's position by Jiang. On the political front, Jiang shelved his support for "Deng Xiaoping Theory" and proposed the theory on "Three Represents" that was added to the PRC's Constitution as well as the CCP's Constitution as an "important thought" along with the "Mao Zedong Thought" and the "Deng Xiaoping Theory."

Nevertheless, Jiang Zemin has not become charismatic as Deng Xiaoping, and the decision-making process in Jiang's era attached importance to the process under the one-party regime of the CCP. In this sense, Jiang eliminated excessive concentration of power in line with the basic thought underlying the political reform attempted by Zhao Ziyang.

According to the PRC's Constitution, "supreme authority" belongs to the NPC; however, the NPC is often described as a "rubber stamp" authority because it is not the supreme authority in the decision-making process. On the other hand, the National Committee of Chinese People's Political Consultative Conference (NCP-PCC), which is merely a consultative body, hardly participated in the decision-making processes. Besides the CCP, there exist eight democratic parties in the PRC; however the total number of members in these parties is only 0.4 million, while that of the CCP is beyond 70 million. Furthermore, if a basic requirement for a "political party" is to attempt to form a government, then these parties cannot be considered as "political parties." In fact, they are "friendly and cooperative" toward the CCP rule and accept its "leadership."⁴

In the PRC, the highest organ of state power in the decision-making process is the CCP. "The leadership of the CCP" is confirmed in the PRC's Constitution as well as the party's constitution, and important decision-making is dominated by the CCP. This domination over decision-making is secured through the distribution of the power structure and also through the allocation of personnel. The former is illustrated by the establishment of party's "counter organizations (duikoubu)" for the

purposes of policy planning and monitoring of state organizations. Just as the NPC could exercise legislative authority, the State Council could exercise administrative authority, and under the State Council, there are a number of such state organizations (established as bureaus and committees) that undertake the planning and implementation of various policies. Besides, in many state organizations, groups comprising the cadre members of the party committees and organizations were formed, and their objectives are to convey to the state the party's plans regarding policies and to monitor their implementation. The domination of the CCP is further illustrated by the fact that the Department of Organization of the CCP manages all the personnel of the central and the local governments. It selects and recommends candidates for leading posts ranging from the General Secretary to mayors of local administrations, and the formal verdict regarding their election depends on the approval of the CCP. Therefore, most of the important posts in the state organizations and major social organizations are dominated by members of the CCP.⁵

In the CCP, which dominates China's decision-making, the supreme organization is the National Congress of the CCP, which comprises around 2000 representatives. However, the National Congress is held every 5 years, and it is the 5-year term Central Committee that exercises its official authority. It comprises approximately 200 members and approximately 150 candidate members who do not possess voting rights, and it assembles only once or twice in a year. Thus, the official authority during the closure of the Central Committee is exercised by the Politburo and its Standing Committee. The Politburo comprises approximately 20 members and a few candidate members, whereas the Standing Committee comprises approximately 5 to 9 people from members of the Politburo. Accordingly, the Politburo and the Standing Committee are the "center of the Party" and the "core" of the decision-making process. The General Secretary is elected from among the members of the Standing Committee, and these members of the Standing Committee organize conferences of the Politburo Standing Committee as well as that of the Politburo. Furthermore, they preside over the activities of the Secretariat of the CCP Central Committee, which is in charge of the CCP's routine work. In Jiang Zemin's era, he was the General Secretary of the CCP, the President of the State and the Chairman of the CCP and the National Central Military Commission, which have supreme authority over the military. Zhu Rongji was the Premier of the State Council, which has supreme administrative authority. Li Peng was the Chairman of the NPC, which has the supreme authority over the legislature. Qiao Shi was the Director of the Central Discipline Inspection Commission of the CCP in charge of monitoring party members' discipline. Li Ruihuan was the chairman of the NCPPCC. All of them were members of the Politburo Standing Committee.

The Politburo and its Standing Committee are in charge of decision-making; however, it is the institutions directly under the center that gather and analyze the necessary information in order to propose policy options for decision-making. These

are small groups and committees called the “zhongyang zhishu jigou” as well as bureaus, committees, and general offices that are directly under the center. These include the propaganda Department in charge of ideology, the Organization Department in charge of personnel, the the Central Commission for Discipline and Inspection in charge of the legislature and monitoring organizations, and the General Affairs Office managing the administration of the CCP. The latter is in charge of not only policy planning for important issues, such as financial affairs, Taiwan, and foreign policy, but also decision-making. The Central Leading Group on Financial and Economic Affairs played an important role in the decision-making process for economic policies, and for a period of time, it actually undertook decision-making.

The State Council is the supreme administrative authority, and it offers general guidance on its activities on the basis of the system of premier responsibility. In the latter half of Jiang Zemin's era, Zhu Rongji, who was a member of the Politburo Standing Committee, exercised his power to take decisions on China's economic policies; however, when it came to important changes in economic policies, the role of the General Secretary, Jiang Zemin, was often emphasized.

3. Decision-making in the Hu Jintao Era: Emphasis on Transparency and Accountability

Over two years before his monopolization of three powers, Hu Jintao pledged to “bear the request from Comrade Jiang Zemin in mind”, and took Jiang's will into consideration. The Jiang administration was called the “Central leadership with Comrade Jiang Zemin at its core” and Jiang Zemin was often referred to as “the core of the leadership.” On the contrary, the Hu administration is merely known as the “Central leadership headed by Comrade Hu Jintao as the General Secretary.”

In the decision-making process during the Jiang Zemin era, after “the smooth succession of the Party's central leadership” in the fall of 1994, Jiang Zemin exercised his influence over the decision-making process as “the core of the leadership” by emphasizing the institutionalization of decision-making through methods such as the fixed-term system for age restriction and leading groups for various leadership posts. It is said that Hu Jintao, although not the “core,” has utilized his position to the utmost; he has attempted to differentiate the current decision-making process from that of Jiang Zemin's era in order to shift away from Jiang Zemin. Thus, Hu's reforms represent a revival of a part of the political reform process undertaken in the Zhao Ziyang era.

After 1986, Zhao Ziyang undertook political reforms in order to attempt to counteract the excessive concentration of political power in the CCP with the Deng Xiaoping's approval. He aimed at increasing transparency and accountability in

addition to “the separation of functions between the party and the government. Consequently, the “party groups” established within the state organizations and the “counter organizations” within the CCP were gradually removed. Moreover, the Politburo meetings were opened to the public and the activity reports by the Politburo that is supposed to work for the Central Committee began to be submitted to the Central Committee.

However, most of these reforms were rejected in the Jiang Zemin era, and the CCP was revitalized “under the reign of the one-party system.” The Hu administration has yet to remove the “party groups” that were revived; however, it has actively engaged in political reforms for increasing transparency and accountability of the decision-making process, and is also emphasizing the “serve the people” policy that was announced soon after Hu’s inauguration. Under the Hu administration, the meetings of the Politburo and of the Politburo Standing Committee are held regularly and the results are also open to the public. Moreover, study meetings deliberating the agenda are held before and after the above-mentioned meetings, and are also broadcast. In the 3rd Plenum of the Central Committee held in October 2003, the activity report by the Politburo was submitted to the Central Committee; this process had been discontinued after the Zhao Ziyang era.

The Hu administration is also attempting to pursue the institutional reform for democratization within the CCP, which currently dominates decision-making. In the 4th Plenum of the Central Committee held in September 2004, the Committee adopted the resolution on “strengthening the party’s ability of administrative management and institution.” For the implementation of this resolution, the administration proposed several measures, such as an increase in the scope and ratio of the practice of recommendation of candidates beyond the fixed number and competitive elections by candidates more than the fixed number, restraints on the transfer of elected leading cadre during their terms in office, and the gradual expansion of the districts that hold direct elections. Moreover, in addition to this resolution the administration chalked out the “Regulation on the Inner-Party Supervision of the CCP (trial version),” the “Regulation on the Guarantee of Rights for the Members of the CCP,” and the “Recording System for Public Official’s Duties” in order to maintain discipline among public officials.

Furthermore, keeping in mind the information revolution that is a product of the growth and advancement of information technology (IT) in Chinese society, the Hu administration, soon after its inauguration, showed vigorous political will for furthering the reach of “the right to information.” During the SARS crisis in the spring of 2003, in the face of the increasing dissatisfaction and distrust that the public expressed toward the cover-up and falsity by the concerned organs of the government, the Hu administration finally pursued certain important media reforms. The Politburo decided on the “Three Approaches” policy, which represented “the approach toward realities, the approach toward the public, and the approach toward

livelihood,” and called for departing from conventional news coverage and broadcasting of the prospects of the leaders and the decisions taken in conferences. Moreover, the Politburo Standing Committee ordered the concerned organs of the party and government not to “delay in reporting or send false reports” and warned of strict punishments against any transgressors. Moreover, due to the “information opacity,” “unhealthy management mechanism,” and “insufficiency” of the response to the “SARS” threat, the Director of the Health Bureau and the Mayor of Beijing were dismissed.

Such a political posture that emphasized increasing transparency and accountability reflected “The View of Scientific Development” that has been highlighted since the inauguration of the Hu administration.⁶ “The View of Scientific Development” was presented for the first time as “The View of Total Development” during Hu’s visit to Guangdong in April 2003, and it was formally presented in the National Convention to Combat SARS held in June 2003. It was also cited in the “Decisions on Issues Regarding the Improvement of Socialist Market Economy” adopted in the 3rd Plenum of the 16th National Congress of the CCP. Furthermore, in 2004, the Hu administration began to stress it as a new “leading thought.” In February 2004, Premier Wen Jiabao appealed to leaders of the party, state and military for the establishment of the “View of Scientific Development.” In the “Central Round-Table Discussion on the Population, Resources and Environment.” held in March, General Secretary Hu referred to “The View of Scientific Development” as “the view of human-based, comprehensive, and cooperative sustainable development” and presented it as his original “leading thought.” In the own NCPPCC held in June, this view was accepted as the Hu administration’s “significant strategic thought,” which illustrated the shift from Jiang Zemin’s ideological perspective.

However, this shift is not only restricted to ideological perspectives but has also translated into a change in the policies of the current administration. The Jiang administration concentrated on economic growth as its top priority and achieved rapid economic development. However, the development of the cutthroat market mechanism widened the gap between the rich and the poor as the “socially vulnerable” who were suffering from poverty and unemployment and were left out of the development process. The growing concern regarding environmental pollution and power and water shortages represent the dark side of this growth-oriented policy. The elimination of such social distortions through the implementation of the “Serve the People” policy from the perspective of “The View of Scientific Development” and “Human-Oriented Development” has been identified as an important task for the Hu administration. According to “The View of Scientific Development”, “it is important to promote the balanced development of cities and villages, of localities, of the socioeconomic situation, and of the people in a manner that does not adversely affect the environment, as well as a balance between domestic development and having an open policy. Moreover, it is also important to promote the cooperative

development of a social, material, political and spiritual civilization. Thus, the comprehensive development of human beings needs to be promoted.” At the NPC held in March 2005, “The View of Scientific Development” and the development of a “Harmonious Society” were accepted as the fundamental principles of China’s development policy.

4. Dilemma of the Hu Administration: the Relief of the Socially Vulnerable and the Inclusion of the Middle Class

The foremost efforts undertaken by the Hu administration toward the establishment of a “Harmonious Society” are directed at correcting the disparities between the rich and the poor. To this end, the Hu administration has attempted to reduce the number of people who are characterized as “socially vulnerable,” such as poor farmers, the unemployed, and the inhabitants in the inland regions who are suffering from poverty and do not receive the benefits of reforms and opening-up of their economy.

For example, the administration recognized “Three Agricultural Problems” (Agriculture, Farmers, and Farm Villages) as “the most pressing issues among the most important issues” for the CCP and the local governments; moreover, in 2004, for the first time since 1986, the administration issued the “No. 1 Document” of the year dealing with agricultural problems. It prescribed the practice of the policies on increasing farmers’ income, agricultural tax reduction, cancellation of taxes on indigenous agricultural products except tobacco, direct assistance for food-planting farmers and for the purchase of agricultural equipments, implementation of safeguards on crop lands, increase in agricultural investment, and so forth.

These new agricultural policies are believed to have promoted “agricultural development and increased the income of farmers.” Statistically, only a reduction in the agricultural tax reduced 30.2 billion yuan of the farmers’ burden, while direct assistance to food-planting farmers provided a direct benefit of 11.6 billion yuan for 6 billion farmers in 29 provinces. The central financial administration provided subsidies worth 70 million yuan on the purchase of agricultural equipments, while each local financial administration provided 400 million yuan. In one year, the subsidies for agricultural assistances provided by the financial administrations increased to 300 billion yuan. Moreover, 14.77 billion yuan were provided as social costs for the appropriation of land and 32.5 billion yuan were provided for the clearance of unpaid wages for expatriate laborers.

As a result, net income per farmer in 2004 rose to 2,936 yuan and its growth rate improved from 4.3% in 2003 to 6.8% in 2004. This was the highest growth rate achieved since 1997. On the other hand, the real growth rate of the disposable income of city dwellers decreased from 9.3% to 7.7% (9,422 yuan); however, the

gap between the rich and the poor, which resulted from the economic disparities, was still widening.⁷

The impact of these new policies is yet to yield the results that the administration desires. However, certain changes are already visible. For example, Huaxi village in Jiangsu is known as the “No.1 Village under Heaven.” Its circulation income in 2004 is calculated at 26 billion yuan, which is twice as much as that in the previous year. Huaxi was the first village whose circulation income exceeded 20 billion yuan. The per capita income of the 1,500 farmers in the village also grew twice as much as that in the previous year and the average per capita income was recorded as 80,000 yuan. However, these improvements are mere exceptional.⁸ “Although the results of the policies tackling ‘Three Agriculture Problems’ for the year 2004 indicated that certain people had received relief,” “there is a need to develop our ability for comprehensive food production”; moreover, “the state is still far from achieving the desired increase in the overall agricultural benefits since the limitations of the resources and markets are constantly increasing. It is still difficult to maintain a sustainable increase in farmers’ incomes as well as a stable increase in food production.”

Therefore, even in 2005, the “No.1 Document” continued to deal with the “Three Agricultural Problems.” This confirms the fact that the difficult circumstances remain unchanged and still persist with regard to these problems.⁹ “Agriculture is still one of the key weak aspects in China’s national economic development, and the lack of investments and the weak agricultural bases have yet to be improved. The government has not yet been able to build a long-term effective mechanism that can increase food production and farmers’ incomes. The inconsistencies between the development of agriculture and that of farm villages have not yet been eliminated. The socioeconomic development of farm villages is clearly stagnant and their situation has not improved even after the adoption of these policies. Under these circumstances, the implementation of reforms in farm villages is extremely difficult; moreover, it does not present an optimistic view for the government’s mission of maintaining the positive trend of development of farm villages.”

Furthermore, it is important to note that the economic disparities are widening not only between cities and farm villages but also within urban areas. For example, in Beijing, the ratio of economic disparities widened from 3.1:1 in 2000 to 4.7:1 in 2003.¹⁰

Historically, farmers as well as workers have been the dominant classes supporting the CCP. Thus, the CCP was regarded as the “vanguard” for the labor and farmer classes. However, most of the members of these worker and farmer classes have been left out of the rapid economic development that occurred in China. Consequently, they are currently regarded as the “socially vulnerable”. The CCP must lose their trust and support. Therefore, the current administration has empha-

sized the seriousness to resolve “Three Agricultural Problems”.

They remain unresolved, however. For example, the gap between the ratio of the net income per farmer and the disposable income of city dwellers has widened from 1:1 in 1985 to 1:3.3 in 2004. This is despite the fact that the absolute poverty in farm villages has decreased. Nevertheless, according to the poverty ratios presented by the World Bank, approximately 90 million people in China continue to live in poverty.

The real dilemma lies in the fact that along with reducing the number of people categorized as “socially vulnerable,” the CCP, whose top priority is economic development, needs to gain the support of the middle class that is a product of the rapid economic development and is supportive of such development. This is the intention of the “Three Represents” Theory, which Jiang Zemin proposed in 2002. Moreover, this dilemma also highlights a logical justification for the CCP advocating the party’s transformation from one that represents the interests of the working and farmer classes to a national party that “represents the most comprehensive and basic interests of the Chinese people,” including the middle class.

The problem lies in the extent to which the CCP can be effective as a party that represents the interests of all the Chinese people. For example, private entrepreneurs are important actors in the middle class. In the first half of 2004, there were already 3.34 million private companies, and their capital funds were estimated at approximately 4 trillion yuan, while the number of employees in these companies exceeded 47.14 million. In the 10 years from 1993 to 2003, the number of private companies increased 33 times, while the number of employees increased over 11 times. Moreover, the total gross product increased 48 times compared with that in 1989.¹¹ Private companies have developed in the east coast of China. For instance, the number of small private businesses and private companies in Guangdong province was estimated at a record high. At the end of 2004, the number of small private businesses was recorded as 1.96 million, while that of private companies was 389,800; their growth rates are estimated at 20.6% and 23.6% respectively.¹²

For these private entrepreneurs, the CCP’s United Front Department, the All-China General Chamber of Industry & Commerce, and the China Private Entrepreneur Study Group together organized the group of “China Private Entrepreneur Research,” which has been undertaking an extraction survey since 1993. After the first survey in 1993, this study group again conducted surveys in 1995, 1997, 2000, 2002, and 2004. In 2004, questionnaires were distributed to 3,670 people and the effective collection rate was 82.1%.¹³

According to the survey, the greatest concern of private entrepreneurs with an average annual income of 200,000 yuan was of course the “development of his/her company” and their “concerns with politics were not clear.” However, at the same time, approximately 75.5% of these respondents hoped to “become social elites by

establishing the image of being a responsible individual and company in their daily lives.”

The percentage of private entrepreneurs joining the CCP has been “rapidly increasing in the last few years,” and 33.9% of all the private entrepreneurs have joined the party. However, the number of newcomers joining the CCP is unclear because in the last 10 years, there has been an increase in the number of cadre members and intellectuals of the CCP who have resigned from their public posts in order to become private entrepreneurs. Thus, the ratio of newcomers from private enterprises that are joining the CCP might be less than the administration reported.

According to the results of this survey, most private entrepreneurs are cautious about engaging in politics; however, they are mindful about securing and maintaining “good relations with the CCP.” At the same time, they place “much emphasis on the choice to become a representative of people’s congress or a member of the political consultative CPPCC,” focusing on “the method of political participation primarily through the United Front.” 33.6% of the sample were members of the CPPCC at one level or another.

Nevertheless, there are few private entrepreneurs, even among the members of the CCP, who could attain higher posts that enable them to directly engage in the decision-making process. Moreover, the number of private entrepreneurs who could concurrently hold posts in the leading organizations, such as the CCP and the government, is extremely small. This number is estimated at only 0.8% (28 people) at the *xiangzhen* (village and town) level, 0.3% (11 people) at the prefecture level, 0.3% (10 people) at the district level, and 0.1% (3 people) in the provincial level.¹⁴

The Hu administration has been pursuing two inconsistent policies: acquiring the support of the middle class, while developing assistance for the “socially vulnerable”; however, it is difficult to state whether these policies have yielded much progress. In fact, there has been an increase in the social discontent. This is clearly evident from the fact that after October 2004, there were repeated local riots involving the “socially vulnerable” such as migrant workers and ethnic minorities.¹⁵

On October 6, a number of migrant workers blockaded an arterial road. Moreover, in the wake of the civil commotion in Wanzhou, Chongqing, on October 18, public criticism and discontent against the local government developed into an incident wherein 50,000 people encircled the government offices. On October 22, retired workers in Bengbu of Anhui Province demanded an increase in pension by carrying out road blockades and demonstrations in which over 10,000 people participated. This incident also turned into a riot. On October 27, in Zhongmou of Henan Province, the conflict between Hui and Han people over a traffic accident resulted in the death of 7 people. Toward the end of October, in Hanyuan of Sichuan province, farmers who were forcefully evicted due to the construction of a hydraulic power plant demanded an increase in compensation; this incident further developed into a mass demonstration in which over 100,000 people participated for

over 10 days. At the end of October, in the Inner Mongolia Autonomous Region, Mongolian students who opposed the deaccession of the Palace of Genghis Khan to the Han people were arrested. On November 6, in Guangzhou of Guangdong province, there was an uproar against a demand for the removal of a stall owned by a Uighur. On November 10, in Jieyang of Guangdong, quarrels over the payment of the transit fare for a bridge developed into a riot involving 30,000 people. On the same day, in Nianshan of Yunnan Province, quarrels between farmers and police officers developed into a riot, and two people were killed by the resulting gunshots fired by the police officers. On December 4, in Qingzhou in the Guangxi Zhuang Autonomous Region, an incident in which a street performer assaulted an administrator resulted in hundreds of residents gathering and attacking the government's branch office. On December 5, in Wannong of Shanxi Province, the investigation regarding a hit-and-run case developed into an incident in which migrant workers attacked a police station. On December 23, in Dongwan of Guangdong Province, the authorities' mishandling of a traffic accident developed into a riot in which 10,000 migrant workers gathered for a protest.

The administration halted the construction of a hydraulic power plant in Hanyuan of Sichuan Province and reprimanded the responsible official, while with regard to the riot in Dongwan of Guangdong Province, it arrested the key culprit and declared him guilty. On most of these cases, however, press restrictions have been imposed. This fact indicates the incompleteness of the media reform to correct "delayed and false reports," and the Hu administration's shift to reinforcing its media control.

5. The Hu Administration's Political Reform: Not beyond Inner-Party Reform

Despite its policy of a "Harmonious Society," the Hu administration tends to maintain a high sense of vigilance and adopts repressive measures against people's protest activities. For example, the administration reinforces restrictions over "Letters and Complaints" through which people file claims for solving their problems.

On January 10, 2005, the State Council issued the "Regulation on Letters and Complaints" concerning the direct petitions from people, and these became effective from May 1. These new measures were a revision of the 1995 measures.¹⁶

The revised measures prescribe the rights regarding the petitions of "Letters and Complaints" and demand sincere responses from administrative organizations while urging the administration to "increase its processing ability." However, if one considers the revised aspects in the new measures, then most of them are actually restrictions on the "Letters and Complaints." According to the National Bureau of Letters and Complaints, "In recent years, some of people filing direct petitions have

become inclined to adopt radical methods such as encircling the state organization offices, destroying official vehicles, and blockading public roads and railways. Such incidents have a negative influence on the general population's healthy activities of petitioning. They disturb social order and impact the lives and the daily activities of local people." The administration regarded this as an important issue and consequently prohibited such activities. Moreover, the government warned about the possibility of imposing the "punishment of public security supervision," and emphasized its right to press criminal charges against the perpetrators. In addition, petition submission is restricted only to the level to which petitioners belong and the one upper level, while a collective petition is restricted to less than 5 petitioners acting as the representatives of the group. Furthermore, for the petition to be complete, the government demands that the petitioners must submit evidence proving that the petition is based on "objective truth," and "forgery, falsification of the facts, false accusation" and so forth are also restricted as "legal responsibility."

Zhou Zhanshun, the Director of the National Bureau of Letters and Complaints, admitted that there has been an "increase in the number of petitions in the last 10 years (from 1993)."¹⁷ In 2003, the number of "letters and complaints" exceeded 10 million. In particular, the number of "letters and complaints" that the National Bureau of Letters and Complaints received increased by 14% as compared with that in the previous year. On the contrary, the increase percentage is only 0.1% at the provincial level 0.3% at the local level, and even -2.4% at the prefecture level. It is assumed that people visit central offices for letters and complaints in Beijing since they believe that the local governments are unable to decide on petitions. The number of "letter and complaints" leaped to 30 million in 2005.

Even in Beijing, however, it is not easy to resolve these petitioners' problems. "In fact, only 0.02% of the 'Letters and Complaints' are actually resolved." Even direct petitions usually prove fruitless. The 6-person study group of the Chinese Academy of Social Sciences led by Yu Jianrong, a senior researcher on agricultural problems, undertook the largest-scale research on "petition groups" from May 2004 to October 2004. According to this study group researching 632 farmers who came to Beijing for a direct petition, the average number of organizations that they visited was over 6, while the maximum number of organizations visited was 18. These organizations included the National Bureau of Letters and Petitions, the Standing Committee of the National Congress of People's Representatives, the Supreme Court of the People's Republic of China, the Central Discipline Inspection Commission of the CCP, the Ministry of Public Security, the Supreme People's Procuratorate, the Ministry of Land and Resource, the Ministry of Civil Affairs, and so forth. "Thus, petitioners go back and forth in Beijing; however, their problems are not adequately resolved. Consequently, the people tend to lose faith in the effectiveness of the central authority."

Yu Jianrong asserted that "the system of 'letters and complaints' has several

important structural problems, which are likely to have serious political ramifications, and therefore, it is necessary to undertake a thorough reform.” The National Bureau of Letters and Complaints also admitted; “The current system certainly has several problems. For example, the authority of the Letters and Complaints Bureau is too much restricted.” Subsequently, on November 4, 2004, in response to the results of the research undertaken by the study group of the China Academy of Social Sciences, the National Bureau of Letters and Complaints prepared for a small meeting for the revision of the measures. However, the result of this meeting was not successful. A set of revised measures were issued in January 2005, but they were unlikely to provide effective and efficient solutions for the “letters and complaints” submitted by the people. Thus, the establishment of a “Harmonious Society” is a long way to go. Moreover, despite its policy of “everything for the people” and “administration for the people,” the Hu administration has been unable to take the steps required for it to become an administration that places “the people as the central characters.” Furthermore, the administration has not necessarily implemented any of the proposed political reforms.

In Jiang Zemin’s era, the administration achieved rapid economic development, which introduced and developed the market economy system that produced various social classes, including the middle class. This resulted in the rapid development of a pluralistic economy and society. Moreover, the CCP also recognizes these changes in the country’s situation, and accordingly, it has attempted to transform itself from a class-based party to a national party. It has added in its party regulation, the postscript of being the “vanguard of the Chinese people and the Chinese race” and has also included “The Important Thought of ‘Three Represents’” in the party’s regulation and the Constitution.

However, even if the CCP transforms itself into a national party, it will become increasingly difficult for it to form a “Party-State System” wherein the assertions and interests of several interest groups are consolidated by only one party, the CCP. Inevitably, the most important issue of China’s politics is political democratization primarily based on involving the public through “comprehensive participation” and “public petitioning” in the decision-making process.

Such democratization, in concrete terms, will be realized through free, competitive, and direct elections involving pluralistic political parties. On February 26, 1989, before the Tiananmen Square Incident, Deng Xiaoping, who held the supreme power in China, stated the following: “There will be total chaos, such as a ‘total civil war’ that occurred during the ‘Great Cultural Revolution,’ if 1 billion people today are engaged in competitive elections involving pluralistic political parties.” Subsequently, he rejected the possibility of early direct elections at the national and upper-local levels.¹⁸

However, even in the absence of pluralistic political parties, the villages of the base unit have been thoroughly holding direct elections for 920,000 village com-

mittees and 4 millions cadres, and direct elections have also been held for 70,000 neighborhood committees in cities. Moreover, direct elections were also held for the representatives of people's congresses below levels of prefecture and city-district. However, most of those elected were the candidates from the CCP. Although proxy votes and the use of secret registration rooms are possible, the extent to which the secret ballot is protected is still questionable. There are many people who do not know the names of the candidates and the voting procedure; moreover, it was observed that the elucidators at polling stations would recommend a candidate to the people. Besides, a 90% voting rate is unusual for any election in democratic countries.¹⁹

Nevertheless, the administration is dismissive about adopting direct elections for the upper-levels, including the national level and the provincial one. Premier Wen Jiabao articulated the reason for this by stating the following: "China is a large country and has a huge population. Its economy is still under development, and this development has a fragile balance. In this context, it is impossible to undertake direct elections for the upper-level; moreover, neither is the situation ripe nor does our educational level match up to the standards required at the elementary level."²⁰ This does not go beyond the view articulated by Deng Xiaoping when he made the following statement on June 12, 1987: "For a big state like ours, with its huge population, disparities among regions, and numerous ethnicities, the time is not right to hold direct elections even for the upper level. Firstly, our cultural qualification does not suit the condition of direct elections."²¹

Thus, with regard to the decision-making system, the Hu administration is not necessarily pursuing the reforms that were outlined and followed in the Zhao Ziyang era. The Hu administration emphasized "re-strengthening the party's ability of administrative management."²²

The resolution on "Re-strengthening the Party's Ability of Administrative Management" was proposed at the 4th Plenum of the Central Committee in September, 2004. The "resolution" emphasized that the CCP would transform into "a party for the people" and "a clean and fair party that would undertake scientific, democratic, and statutory administration." Thus, for the Hu administration, it is absolutely essential to achieve "the re-strengthening of the party's ability of administrative management" in order for the CCP to "realize a prosperous state, national revival, social harmony, and people's welfare for all people irrespective of their ethnic affiliation and class status." As of July 2004, Hu Jintao placed this as "the most pressing issue among the most important issues for party reconstruction." He was extremely concerned about the decline in the party's ability of administrative and institutional management.

As usual, corruption and fraud are rampant in Chinese society; for instance, cadre posts in the local regions are marketed. This trend of deterioration has not been eliminated and the "leading cadres' responsibility system" has been unsuccess-

cessful. Moreover, in order to prevent the rise in the frequency of riots by farmers and the activities for petitions from becoming a nation-wide phenomenon, the government may adopt the deployment of armed police and other enforcement measures in the foreseeable future.

If the “strengthening of the party’s ability of administrative management” is achieved, then it will represent a hallmark of the originality of the Hu administration. Considering the current situation, however, it is extremely difficult to achieve this. If problems such as the cadre corruption, high unemployment rate, economic disparities between cities and farm villages, and environmental pollution are not improved upon, then, as one sociologist at Beijing University predicts “China might drift into a ‘period of repetitive crises’ around 2010,” soon after the Beijing Olympic Games and the Shanghai Expo.”²³

Therefore, the realities suggest that with time, it will become more difficult for China’s only one political party, the CCP, to consolidate the interests and assertions of divergent interest groups and undertake the reforms of the political system. This may require the reform of the one-party system.

6. Conclusion: Governance under the Hu Administration

Due to the emphasis on rapid economic growth during the Jiang Zemin era, China witnessed the growth of an unharmonious society that developed due to the gaps between the wealthy, including the “middle class,” and the poor, including the “socially vulnerable” such as farmers and unemployed workers. The Hu administration has attempted to strengthen its political base by resolving these social con-tortions that were caused during the Jiang Zemin era. Therefore, the administration has proposed the slogan “Human-Oriented,” emphasized “The Viewpoint Of Scientific Development” aiming at cooperative development, and focused on realizing a “Harmonious Society.” In addition to increasing the legitimacy of the decision-making process in China, the administration has emphasized transparency and accountability, which lacked during the Jiang Zemin era. Furthermore, it has also stressed the media reform through the realization of the “Three Approaches.”

However, the democratization of these decision-making processes does not imply the transformation of the one-party system. Although the resolution on “Re-strengthening the Party’s Ability of Administrative Management” was adopted in the 4th Plenum of the Central Committee, the Hu administration is not preparing to abandon the system of rule by the CCP; rather, the administration is moving toward re-strengthening it. Regarding the media reform, along with the “Three Approaches,” the administration has also stressed the “Three Duties” with which the media must serve the “general goals of the party and the state, the people, and the ideology of socialism.” Media regulation has become reinforced on the grounds

of these "Three Duties."

"The central party", which elected Hu Jintao as the General Secretary, "emphasizes the notion that the party should gain ascendancy over the management of ideology from the perspective of consolidation of the party's administrative position through the reinforcement of its abilities to guide the system and effective administrative."

"In the process of adapting to the rapidly changing international environment and the constantly deepening domestic reforms, the impacts of the corrupted ideology of the bourgeoisie and the remnants of the feudalistic culture have yet to be eliminated. Western enemy forces do not reform their strategic concoctions to westernize and divide the PRC, and anti-Marxism is not weakened. As illustrated by world history, in order to unhinge a society and overthrow a regime, the enemy forces often attempt by imposing a different ideology on the people to confuse their thought. Maintaining the leading position of Marxism, arming the entire party, and educating the people with everlasting Marxism are the long-term ideological and political foundation of our administration."²⁴

However, the situation has already come to such a stage that it is no longer possible to manage the reality, in which the interests and opinions of the Chinese people are pluralistic and divergent, through merely implementing the CCP's policy of "strengthening the party's ability of administrative management." In addition, although it is limited to only a few areas, there are a few representatives of people's congresses from the CCP who prioritize the interests of the election districts, disregarding the party's regulation. Some agendas proposed by the administration have been voted down in people's congresses.

In the People's Congress held at Shenyang of Liaoning Province in February 2001, the official report submitted by the Intermediate People's Court failed to gain a majority of affirmative votes and had to be adjourned to be discussed at the Standing Committee of Shenyang's Municipal People's Congress.²⁵ In the meeting of the Standing Committee of People's Congress held at Nanzhang Prefecture of Hubei Province in June 2003, the government's reports were voted down; in fact, they received only three affirmative votes out of 18. This was the first rejection in Hubei province.²⁶ Moreover, the People's Congress session held at Hangzhou of Zhejiang Province in December 2004 rejected the proposal to change the rate of increase in the consumer price index from "not more than 2%" to "3%."

A scholar on the constitution positively evaluates these facts as "preferable phenomena" and "good cases" which will serve as the model for China's democratic politics.²⁷ However, this phenomenon implies that the party's regulation no longer has an effect on even party members among representatives of people's congresses; further, this may symbolize the declining capability of governance by the "Party-State".

Notes

- 1 *Renmin Ribao*, November, 15, 2002.
- 2 *Wenhuibao*, January, 23, 1992.
- 3 *Renmin Ribao*, September, 29, 1994.
- 4 Mori Kazuko, *Gendai chuugoku seiji (Contemporary Chinese Politics)*. the Nagoya University Press, 2004, p. 116.
- 5 *Renmin Ribao*, March, 29, 2003 and *Zhongguo Qingnianbao*, April, 9, 2003.
- 6 *Wenhuibao*, March 10, 2005.
- 7 *Renmin Ribao*, January, 5, 2005 and *Renmin Ribao*, January, 7, 2005.
- 8 *Renmin Ribao*, January, 9, 2005.
- 9 “2005 nian zhongyang 1 hao wenjian,” *Xinhuawang (The Site of the Xinhua)*, January, 30, 2005.
- 10 *Xinjingbao*, January, 9, 2005.
- 11 “woguo shiying qiye fazhan jinshu” *Xinhuawang*, February, 12, 2005.
- 12 “guangdong keti shiying jingji fazhan,” *Xinhuawang*, February, 12, 2005.
- 13 “zhongguo shiying qiye diaocha baokao,” *Renminwang*, February, 3, 2005.
- 14 See (13).
- 15 “Zhongguo xibu saoluan” *Duwei Youbao (The Duowet Post)*, December, 18, 2004.
- 16 *Renmin Ribao*, January, 18, 2005 and *Renmin Ribao*, January, 18, 2005.
- 17 *Nanfang Zhoumo*, November, 14, 2004, and *Yazhou Shibao*, April, 12, 2006.
- 18 *Deng Xiaoping wenxuan*, vol. 3, Renmin Chubanshe (*The People’s Press*), pp. 284–285.
- 19 “Nongcun jingxuan fengdong Beijing gaoxiao,” *Xinwen Zhoukan*, November, 24, 2005 and *Renmin Ribao*, December, 11, 2004.
- 20 *Renmin Ribao*, November, 24, 2003.
- 21 *Deng Xiaoping wenxuan*, vol. 3, p. 214.
- 22 *Renmin Ribao*, September, 27, 2004.
- 23 Ding yuanzhi, “2010: zhongguo de 3 chong kenong qianjing,” *Zhanlue yu guanli*, no. 4, 2004, pp. 1–15
- 24 *Renmin Ribao*, November, 23, 2004.
- 25 *Zhongguo Qingnianbao*, February, 16, 2001.
- 26 *Nanfang Dushibao*, July 26, 2003 and “Nagzhangxian houjue zhenghu baogao (The People’s Congress at Nangzhang denied the Government Report),” *Zhejiang Renda (The People’s Congress at Zhejiang)*, vol. 3, 2003,
- 27 *Zhongguo Jjingji Shibao*, December, 21, 2004.