

# The Politics of Reform in China: Deng, Jiang and Hu

*Raviprasad Narayanan*

## Abstract

*This paper seeks to understand the political dynamics that operates behind reforms in China. To interpret the political influences that have, and are, determining the course and trajectory of the reform process, two themes have been chosen. First, an examination of ideological trends (determinants) and their relationship with economic reforms, and the second, as an important corollary, the behaviour of factions (variables) within the Communist Party of China (CPC) that have differing perceptions on the role of ideology and reforms. These provide important indicators of policy changes and offer valuable insights into the evolution, depth and nature of Chinese politics during the reform period.*

## Introduction

The pragmatic approach adopted by the Chinese leadership in introducing a process of incremental reforms in the late 1970s required maintaining momentum of the reform programme and to constantly meet challenges, failures, and setbacks. Major changes inevitably provoked dissonant views within the political system resulting in the emergence of strains that developed between those who would not benefit or could not adjust to the new conditions and those who saw the new opportunities. The resulting pressures on the system required constant attention of and mediation by top party leaders who strove for consensus on the contents of the reform programme and its agenda and participated in a process of bargaining to reconcile different policy orientations and institutional interests. The competing interests that emerged when a new wave of reform was introduced appeared to have spokesmen or advocates who represented opposing factions within the Communist Party of China (CPC) that were of the opinion that the reform programme represented a dilution of ideology, so intrinsic to the relationship the Party had with the people.

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This paper, divided in two sections, interprets the politics of China's reforms process by concentrating on the aspects of 'ideology' and 'factions' that have and are representative of elite Chinese power politics and authority.

## I

### **Ideology and Reform**

'Ideology' has been variously defined as "ideas which help to legitimate a dominant political power,"<sup>1</sup> "the link between theory and action,"<sup>2</sup> and "sets of ideas by which actors posit, explain and justify ends and means of organised action."<sup>3</sup> Franz Schurmann, writing on China, defined ideology as "a manner of thinking characteristic of an organisation...a systematic set of ideas with action consequences serving the purpose of creating and using organisation."<sup>4</sup> Politics in China has a strong ideological content. The tactics adopted by the political actors in the use of ideology<sup>5</sup> has influenced, to some extent, the policy agenda of the reform period. Three fundamental questions that emerge are:

1. What have been the major ideological trends since 1978 and why?
2. How have these ideological trends influenced China's economic reforms and why?
3. What are the conclusions to be arrived at on the role of ideology in economic reforms?

In Chinese Communist vocabulary, 'theoretical work' can be inferred to be 'ideological work', and theory is more closely identified with practice than with reality.<sup>6</sup> According to a standard Chinese definition, a theory (*lilun*) is a system of concepts and principles, or a systematic rational knowledge; a scientific theory that is established on the basis of social practice and has been proved and verified by social practice, and is a correct reflection of the essence and laws of objective things.<sup>7</sup> In the Chinese context, a theory is not much different from a doctrine, an ideology or a set of propositions serving as a guiding principle for action. Theories without immediate relevance to policy-making or implementation are considered inconsequential. Ideology, as understood and interpreted by the Chinese, is not only an explanatory tool or a prism through which

domestic processes and world affairs are observed, but more importantly, a guide for action and policy.

Within the Chinese system, there is a well-established institutional commitment to the dominant ideology expressed most notably through the ruling Communist Party's political line. China's top-level decision-makers upbringing and training follow one ideology or another, and their ideological orientations influence their policy preferences. Even the most ardent reformer in China does not try to abandon the Party in carrying out reforms. Reformers and conservatives alike, as members of the "political elite"<sup>8</sup> like to make the Party a leading force in the process of social and economic change. Ideology is, therefore, the vehicle for communicating regime values to the Party rank and file and to the whole population.<sup>9</sup> Competing ideological strands generally operate either as a stimulus to reforms or as a constraint on them, thereby affecting their pace, scope, content and nature. Chinese reformers, led by Deng Xiaoping, attempted to gradually transform orthodox doctrine into a more elastic pro-capital and investment attractive ideology while retaining essential socialist<sup>10</sup> values.

The course of ideological and political change since the Third Plenum in 1978 has been cyclical, with periods of advance and periods of retreat.<sup>11</sup> It begins with reformist values, initiatives and experimental implementation followed by ideological criticism and readjustment. Subsequently, pressure builds up for a new round of reform initiatives. This cyclical pattern has derived partially from the complex nature of China's economic reform programme, which has in its process of evolution stimulated many political, economic and social problems.<sup>12</sup> Decentralisation and open door policies have frequently led to budget deficits, inflation, an overheated economy, corruption and even political dissent, thus building pressure for economic and political recentralisation. But, market-oriented reforms and their supporters are also increasingly compelled by their own interests to seek greater autonomy and decision-making power, which in turn demands greater reform and opening up.

From Deng's period to the current Hu Jintao phase the CPC leadership has interpreted ideology to legitimise the reform process.

a) *The Deng Xiaoping Period (1978-1991)*

*'Practice is the sole criterion for testing truth' and 'Socialism with Chinese characteristics'*

With the demise of Mao, the tapering of the Cultural Revolution and the marginalisation of the "Gang of Four,"<sup>13</sup> the new CPC General Secretary to emerge was Hua Guofeng. Supreme as the leader of all branches of the Party and the state, Hua was seemingly in a comfortable position as he was chosen by an ailing Mao Zedong to run the affairs of the state.<sup>14</sup> Yet, in a short period from July 1977 to December 1978, power equations underwent a transformation and Deng Xiaoping emerged as the new leader. The method adopted was an ideological discourse that pitted the reformers' rallying cry of '[P]ractice is the sole criterion for testing truth' with Hua Guofeng's policy of 'upholding *whatever* policy decisions Chairman Mao made, steadfastly carrying out *whatever* Chairman Mao instructed' (emphasis mine) – an ideological position otherwise known as 'Two Whatever's.'

The discourse was initiated when the *Guangming Ribao* (*Guangming Daily*) published a pseudonymous article entitled 'Practice is the sole criterion for testing truth.'<sup>15</sup> This article generated a discourse that led to the emergence of two groups within the CPC: the conservative remnants of the Cultural Revolution Left who strongly felt that Marxism and Maoism were being undermined and the pro-reform party members who increasingly rallied around Deng.

Hua, in his political strategy for survival, chose to highlight those elements of Maoism that favoured economic development and contacts with foreign countries. While stressing class struggle as the key task and Mao's slogan of 'grasp revolution and promote production,' Hua called for greater labour discipline and payment according to work. He did not show any unique vision for China apart from re-emphasising the Maoist models of development, such as Dazhai and Daqing<sup>16</sup> that stressed ideological education and hard work as the Chinese way of developing agriculture and industry.<sup>17</sup> The reformers, on their part, adopted a strategy that demonstrated prudence in ideological innovations. Without deviating too much from the prevailing ideological convention about the greatness of the Mao Zedong Thought, Deng spoke about its high relevance and the need to return to its fundamentals. Deng said that it was necessary to use

“genuine Mao Zedong Thought to be taken as an integrated whole in guiding the people, army and Party.”<sup>18</sup>

According to Deng, the point of departure of Mao Zedong Thought was not the theory of class struggle but ‘seeking truth from facts,’ an idea Mao had developed during the war years.<sup>19</sup> Deng proclaimed this notion to be the very foundation of Mao’s Thought on the understanding that primacy of practice was the basis of the ‘integral whole’ of Mao Zedong Thought. Ideologically, Deng shared some of Mao’s values and basics of Marxism. In some ways, Deng was returning to a more classical version of Marxism, which emphasises the economy as the basis and the theory of ‘existence determines consciousness’, and to its basic methodology rather than its utopian themes. This return to basics was itself a kind of liberalisation for party cadres dispirited after the excesses of the Cultural Revolution and the emergence of the autarkic Gang of Four.

The triumph for the reformers in this ideological discourse came about after General Luo Ruiqing, then Secretary General of the CPC Military Commission, backed Hu Yaobang<sup>20</sup> by carrying an article in support of reforms in the *Jiefangjun Bao* on June 24, 1978. This was a clear sign of military backing for reform and change, and also the emergence of patronage networks within the system (*guanxi*) that Deng had nurtured since the civil war days against the *Guomindang* (GMD). To reformers, there were three principal reasons for their affinity with the new ideological current. *First*, they understood that Mao’s ideological legacy had lost much credibility with the people due to the Cultural Revolution. *Second*, the theme of ‘practice is the sole criterion of truth’ was important for economic reforms, as it was economic performance that was being evaluated, and *third*, the new ideological interpretation provided legitimacy to build up authority and strength in time for the Third Plenum in December 1978.

To further isolate Hua Guofeng and the Cultural Revolution Left, Deng declared that an ideological debate was necessary as it was a political issue involving the fate of the Party and the country.<sup>21</sup> The Third Plenum of December 1978 set in motion a series of reforms that brought out a fundamentally new political and economic order. It also brought new people into the Politburo, notably Hu Yaobang, director of the CPC’s organisation department. Above all, it set the stage for a soundly based programme of economic reforms, which could take place against a background of greater institutional regularity, legality and a freedom from

the fear of chaotic political campaigns.<sup>22</sup> The Third Plenum established a reform-oriented policy agenda and signalled a watershed between the Maoist past and the Deng era of reform. With the battle for political ideology over, a politically secure Deng Xiaoping provided the next phase of ideological interpretation at the 12th National Congress of the CPC. There, he stated:

[I]n carrying out our modernisation programme, we must proceed from Chinese realities... We must integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build a socialism with Chinese characteristics.<sup>23</sup>

Deng's new discourse was significant in several ways. *First*, it showed Deng's determination to explore a unique path of reform and modernisation. To this end, Deng needed a broadly interpreted socialism and a more discursive framework to initiate and justify the 'capitalist' experiment. *Second*, by deviating from the Leninist approach, which was the prevailing convention, Deng was taking an important step in establishing his authority. *Third*, this new formula also reflected Deng's strong sense of nationalism.<sup>24</sup> To appease sceptics, Deng called for guarding against the corrosive influence of external decadent ideologies and it can be inferred that one purpose of Deng's discourse on 'socialism with Chinese characteristics' was to highlight the Chinese national and ideological identity and independence from both the Soviet communist model and the Western capitalist model.

Deng did not further elaborate his concept of socialism with Chinese characteristics but this was suggestive of his attempt to explore a more coherent ideology for his reform programme. By keeping the concept general, normal and flexible, Deng was able to ensure a wide discursive acceptance of the new formula. On the one hand, the concept retained ideological consistency by stressing 'socialism', which was essential for leadership consensus, and on the other, it allowed for more theoretical innovations and flexible policies under 'Chinese characteristics.' One reformist economist even commented that 'the concept is so ideologically flexible that we have enough room to manoeuvre within it.'<sup>25</sup>

This concept, acceptable to the majority, paved the way for an agreement on the general orientation of economic reform. Most importantly, the 12<sup>th</sup> Congress adopted a compromise convention: the primary role of planning was affirmed while the supplementary role of

the market was also noted. This reinterpretation of ideology gave top priority to the goal of modernisation as the most important task of the Party. To Deng's credit, he also introduced the concept of 'economic democracy' at two levels – decentralisation of the economic sphere and broader participation in decision-making in the economic bureaucracies that were in a large way responsible for the initial success of the reforms. Deng also ensured that he had the CPC with him and ideologically legitimised the reform process by the 'four cardinal principles' – a commitment to Marxism-Leninism-Mao Zedong Thought, Party leadership, socialism and the dictatorship of the proletariat.

The legitimacy of the reform programme was thus tied to the legitimacy of the CPC. Party cadres were told to "seek truth from facts" and that "practice is the sole criterion of truth."<sup>26</sup> They were instructed to acquire knowledge that would equip them for the new era. This radical shift was a logical corollary to the ideological devaluation that had taken place during the height of the Cultural Revolution. This shift in ideological discourse from the political to the economic was an innovation in a political culture that had hitherto been wedded to the concepts of an elite bureaucracy and a totalist ideology.

*b) The Jiang Zemin Period (1991-2003)*

Jiang Zemin became the General Secretary of the CPC following the June 1989 Tiananmen Square protests and was seen as a political lightweight from Shanghai by many veterans. However, not only did Jiang Zemin survive the intricacies of CPC politics, he also managed to guide the Chinese economy on to a high growth path, with Zhu Rongji as the premier. Economic growth and improved living standards, rather than revolutionary ideology or democratic procedures, were the main sources of the Party's political legitimacy. While Deng Xiaoping had interpreted socialist tenets to suit current conditions, Jiang Zemin saw in the Party a vehicle of social, economic and cultural progress. This was reflected in his call for the implementation of the 'Three Represents' (*sangge daibiao*). The amended Constitution of the People's Republic of China following the 16<sup>th</sup> Party Congress in 2002 enshrines the 'Three Represents' as one of the ruling theories of China.<sup>27</sup> The Three Represents state that the CPC must always represent:

- the development trend of China's advanced productive forces

- the orientation of China's advanced culture
- the fundamental interests of the overwhelming majority of the people

The Three Represents were expected to ensure that the Party expanded its membership to include private entrepreneurs, redefined its societal role, modified its core tenets, and institutionalised its rule.<sup>28</sup> Party conservatives introduced the Three Represents, as sections within the CPC felt that the economic reforms had actually weakened the legitimacy of the prevailing socialist ideology by introducing and expanding various forms of private ownership, encouraging income disparities, and, in some cases, causing serious corruption. The Three Represents were preceded by the CPC leadership implementing the 'Three Stresses Campaign' (*sanjiang*) among the Party leaders.<sup>29</sup> It is noteworthy that Jiang Zemin first urged Party leaders to stress politics as the most important aspect of *sanjiang* in 1995.<sup>30</sup> It was not until late 1998 that the CPC leadership decided to turn *sanjiang* into a massive political campaign across the country. While *sanjiang* was the ideological line adopted by the party, the Three Represents theory – initially without a formal name – was first announced by Jiang during his inspection tour in Guangdong Province in February 2000.<sup>31</sup>

To provide an ideological continuity between the *sanjiang* and the Three Represents, Zhang Quanjing, the CPC's general coordinator for the *sanjiang* campaign, said in May 2000 that the goals of *sanjiang* were consistent with the requirements of the Three Represents, and Party leaders should implement requirements of the Three Represents throughout the Three Stresses Campaign.<sup>32</sup> Compared with *sanjiang*, which emphasised the disciplinary side of the Party orthodoxy, the Three Represents theory stressed the CPC's reform or development side. In other words, it enabled the Party to adjust itself to changing times because it represented the development trend of China's advanced productive forces and the orientation of its advanced culture. Therefore, it seems that the move to allow private entrepreneurs – who are playing an increasingly important role in the Chinese economy – to join the Party can be explained as the CPC's reform measure to advance economic development.<sup>33</sup>

In his July 1, 2000 speech, while authorising capitalists to join the Party, Jiang Zemin reiterated that Party cadres should be the first to bear hardships, help others and the last to benefit themselves. Although the call was nothing more than a repetition of the CPC dogmas, its significance is notable in light of the fact that capitalists were now able to join the Party.

In his recent study on the Three Represents, Bruce Dickson<sup>34</sup> cited an article by a Central Party School professor as saying that the ideological campaign meant that not all people in each status deserved to join the Party; only the truly outstanding ones, who also met the other criteria of Party membership, were qualified. Ideologically, the CPC leadership might have been aware of the difficulty to convince the masses that the Party would tame capitalists to 'represent their interests.' After all, by allowing capitalists to join the Party, the CPC appeared to be giving up its socialist beliefs.

Perhaps out of this consideration, the Party's propaganda department issued a series of requirements guiding and regulating the media's reports of the Three Represents theory. In July 2001, all central level media were notified that in reporting on the July 1 speech and the Three Represents theory, all articles must be guided by talking points (*koujing*) that glorified the Party's historical achievements and exalted its ability to develop with the times. It was strictly prohibited to interpret the July 1 speech otherwise, especially if that meant interpreting it to mean that the Party was admitting private entrepreneurs, or that the Party was giving up its working-class base. The CPC leadership seemed very sensitive to any accusation that the Three Represents theory, which provided the basis for allowing private entrepreneurs to join the Party, was inconsistent with socialist dogma.<sup>35</sup> Importantly, accompanying the measures to encourage private entrepreneurs to embrace the symbolic socialist principle of common wealth were the CPC's increased efforts to improve China's weak social security system to appease the marginalised working classes.<sup>36</sup>

It is revelatory that although the CPC could symbolically incorporate private entrepreneurs into its ideological orthodoxy through the Three Represents campaign, the Party's ability to drive private entrepreneurs to embrace that orthodoxy has become very limited. One reason is that the Party's membership has not been attractive enough in contemporary China. In addition, the CPC's reluctance to extend a strengthened traditional orthodoxy from the ideological field to factual policymaking out of the fear that economic development might be curbed has also reduced the ideological effect of the Three Represents campaign. Finally, the CPC has been unable to fully implement its policy from the centre to local levels, let alone the hazy ideological call to consolidate orthodox socialist principles among capitalists. Given these reasons, the ideological effect of the campaign can hardly last long. The Party will have to continue its pragmatic policies

in economic and social fields, and will possibly launch massive ideological campaigns like the Three Represents once it detects other threats to its legitimacy.

*c) The Hu Jintao phase (2003 to present)*

With Hu Jintao as the President of the PRC, and Wen Jiabao<sup>37</sup> as the premier, the continuum of ideological precepts guiding the reform process remain. It is imperative to outline the main concerns of the current dispensation with its focus firmly on the economy. These concerns are the central guiding themes for the ideological positions taken by Hu Jintao since his becoming President. *First*, there has been a subtle adjustment in the general goal of development. Since China began economic reforms in 1978, high growth has always been a primary concern and a priority of the state. *Second*, in the Chinese public discourse during last two decades or so, economic development has been synonymous with GNP growth. *Third*, over the past 25 years, despite the Chinese economy performing at a remarkable average annual growth rate of 8.9 per cent there has been a rise in acute social tensions.<sup>38</sup>

Against this background, the new leaders put forth the concept of 'five overalls' – overall urban and rural development, overall regional development, overall economic and social development, overall harmonious development between man and nature, and overall domestic development and open policy. The 'five overalls' if any, are a clear indication that social issues of development are in resonance with the objectives of the leadership. In this light, Hu Jintao while endorsing the Three Represents of his predecessor Jiang Zemin, added his own theme of "three closenesses" (*sangge tiejin* – close to reality, close to the people and close to life).<sup>39</sup> Hu followed up his 'three closenesses' (sic) with a mild remonstrance of the party during the SARS crisis of 2003 by stating that he stands for "building a party that serves the interests of the public and governs for the people" (*lidang weiging, zhizheng weimin*) and for "achieving, maintaining and developing the fundamental interests of the masses of the people."<sup>40</sup> This re-interpretation is indicative of an ideological churning at the top levels that seek to attain the two goals of:

- a) to establish authority on Party apparatuses involved in the Three Represents campaign and who still might be loyal to Jiang Zemin, and

- b) to keep reiterating the legitimate role of the Party as a caring, benevolent entity that keeps in mind the welfare of the people over other concerns.

Hu Jintao and Wen Jiabao have also adopted a “hollowing-out” policy towards the theory of Three Represents while referring to its importance. As Hu Jintao’s speech at the Three Represents conference<sup>41</sup> vividly reveals, a distinct change of emphasis is to be noted—while Jiang Zemin stressed the representation of the most advanced productive forces and culture, and economic agents, including private entrepreneurs, Hu Jintao has highlighted the representation of the most fundamental popular interests. Arguing for the “essence of the Three Represents”, Hu raised the “new three principles of people” (*xin sanminzhuyi*) – i.e., “power must be used for the people, (cadres) sentiments must be tied to those of the people and material benefits must be sought in the interests of the people.”<sup>42</sup> Continuing this theme, at the fourth plenum of the 16<sup>th</sup> Central Committee of the CPC held in the fall of 2004, Hu Jintao proposed that the CPC enhance its “governing capacity” (*zhizheng nengli*) in order to deal with problems of a social nature.<sup>43</sup> Addressing these problems, it is pointed out, will lead to the establishment of a “harmonious society” (*hexie shehui*).

By calling for a policy of ‘promoting people’s democracy’ through ‘internal party democracy’, Hu Jintao and Wen Jiabao have managed to evolve a position that accommodates the aspirations of large sections of society who want to be stakeholders in the reform process.<sup>44</sup> However, problems do exist. Skeptics consider the main strategy of the new leadership of “going to the people” as a sort of an “image project” (*xinxiang gongcheng*) without substance. For this reason, some observers have accused the leadership’s reform and ideological positions as being merely symbolic.<sup>45</sup>

Ideological posturing apart, Hu Jintao and Wen Jiabao continue to place emphasis on the centrality of public ownership in the national economy. While support for public ownership is no longer an ideological issue and low efficiency and massive waste of rare resources in state-owned enterprises are common knowledge, the new leadership has been unable to abandon this totem of public ownership.<sup>46</sup> Perhaps, the fundamental reason for advocating public ownership and the continuation of a dominant role for state-owned enterprises lies in the Party leadership’s fear of losing control over the country’s economy. As long as this fear persists, allocation of state-

owned resources will continue to be tipped in favour of inefficient state enterprises, obstacles in the way of viable private enterprises will remain and the quality of China's economic development will be compromised.

## II

### **Factions and Reforms**

Factionalism is endemic in Chinese politics. In the Chinese context, these differences are articulated and channelled through factional struggles.<sup>47</sup> Factions play a significant role in China's domestic and foreign policy formation and no policy sphere is immune to its intrigues.<sup>48</sup> Conflicting views among the top Chinese leaders on issues concerning the country's vital interests often cause policy debates with respect to defining the nature of an issue, assessing policy priority, setting goals and choosing means. The debates are often "the putative policy alternatives or the power positions of the factions or some combination of these."<sup>49</sup> They usually evolve into factional struggles and realignments within the Chinese ruling elite. The dominant groups and their leaders tend to determine the country's policy direction. Power struggles within the CPC is most often in evidence during the preparation phases of each party congress, since controlling the majority of the Central Committee members is the key to power. Factions are also not averse to adopting political campaigns as leaders attempt to shape the political atmosphere in their favour. As argued by Gavin Boyd, "changes in the relationships between contending groups in the Chinese hierarchy often affect "the regime's ...activity."<sup>50</sup>

Chinese political tradition places enormous emphasis on collective interest and seniority. Moreover, leaders fear that open disputes would eventually undermine the sense of social harmony and popular respect for authority.<sup>51</sup> In China's opaque political culture, factions do not generally emerge as the result of policy disputes. Rather, policy disputes reflect factional lines which already exist. Since traditional norms do not allow factions to compete in public, factional competition is conducted under the guise of policy disagreement.<sup>52</sup>

### **Factional Determinants**

On the pattern of factional politics, Parris Chang argues on an almost "perfect link between factions and policy lines,"<sup>53</sup> while Andrew Nathan

somewhat incorrectly points out that policy “disputes in Chinese politics are concerned about little things, not about principles or world views.”<sup>54</sup> Factions affect policy in three principal ways. *First*, even though the CCP Constitution prohibits any factional activities within the Party, in reality “groupings of officials are scattered within the hierarchy of Chinese politics.”<sup>55</sup> Factional networks are characterised by strong personal patronage relationships starting from the top level of the leadership all the way down to the lower levels of the bureaucracies. When the reform process got underway, the senior leaders were Deng Xiaoping, Chen Yun, Peng Zhen, Li Xiannian, Yang Shangkun, Wang Zhen and Bo Yibo, were all veterans of the Long March and the Yan’an era. They belonged to the generation of Mao Zedong and Zhou Enlai, who founded the Party and the People’s Republic, and had tremendous influence over the branches of the Party, military and the government they used to head. Through their protégés in the Politburo, the State Council, the military and their own cadres at the ministerial level, manipulated policy-making. This intra-elite politics rooted in personal connections is also known as *guanxi*.<sup>56</sup>

*Second*, factional struggles in China are often issue-oriented. In China, issues – and hence policies – are resolved by the ruling elite within the Party.<sup>57</sup> This situation is quite different from polities where policy-making authority is dispersed among numerous legislative bodies, functional bureaucracies and regulatory agencies. Therefore, factional struggles in China have been “more than contests over position; substantive issues have been at stake as well.”<sup>58</sup> For factions, manoeuvring on policy issues serves as one of the aspects in enhancing their particular interests and especially their leadership standing. Sometimes issues are routine enough for bureaucratic mechanisms to handle. At other times, some issues might dominate the leadership’s agenda and become embroiled in factional struggles. Issues usually involve sensitive nationalistic problems, national security concerns, economic development strategies or ideological differences. In fact, major issue debates can be seen as a battleground for various factions to compete for power.

*Third*, factionalism requires coalition building. As observed by a scholar of Chinese politics, “policymaking in China normally involves the formation and realignment of coalitions built around common or compatible stands on a number of policy issues.”<sup>59</sup> A successful pre-eminent leader must have a factional power base. Both Mao and Deng can be seen as the masters of manipulating their subordinates and building

factional coalitions.<sup>60</sup> Any settled policy in Beijing cannot be made without consensus among factions. Otherwise, opposition factions are adept at blunting policy initiatives they do not agree with or from which they stand to lose power or prestige. Differences at the *Zhongyang*,<sup>61</sup> the power centre of the regime, often lead to heated debates and factional tensions. A prime consequence of this is factional strife and personality clashes. When personnel purging at the top is likely to take place, it indicates the end of one round of power struggle within the leadership that is followed by compulsive support for the winner's policy programmes as cadres seek to identify with the new consensus.<sup>62</sup> The new factional alignment within the Chinese ruling elite, thus, determines Beijing's general posture on policy matters, domestic and external.

In the reform era, politics has been constrained by an economic logic that originated with the Four Modernisations. The very notion of reform was raised because the Four Modernisations were unable to break through the rigidity of the existing central planning system. Importantly, the complexity of the economic issues have rendered the differences between factions inconsequential and all factions face the same pressure to continue the reform policy as enterprises of all scales benefiting from the reform would probably continue to support the reform. It is here that Parris Chang maintains his earlier conception of factionalism and argues that the future of reform is dependent on the "balance of power" among the factions.<sup>63</sup> Susan Shirk, on the contrary, identifies two basic alliances in Chinese politics under reform: the reformist alliance and the communist (leftist) alliance. The difference between them lies in their views on the appropriate degree of centralisation.<sup>64</sup>

### **Factions and Positions – From Deng to Hu**

The reform consensus within the CPC leadership after the Third Plenum of 1978 could broadly be categorised into two broad groups – the 'conservatives' and the 'reformers.' This categorisation is a misnomer as both sides were reformers insofar as they saw the need to change the old system of central planning and give more scope to market mechanisms. They, however, differed on four key questions: planning, markets, ownership and the overall character of the post-reform 'socialist commodity economy.'<sup>65</sup> The conservative view was that planning (both, directive or 'guidance') is a fundamental defining characteristic of socialism and should retain a dominant role in the economy. Markets were the opposite – they

were seen as potentially anarchic and destabilising. The only leeway the conservatives would admit for the markets was for allowing certain commodities of an essential nature. The leader of this faction, Chen Yun, likened the plan-market relationship in such a system to a bird in cage – the bird being the market within the cage which metaphorically stood for the planning mechanism.

The reformers led by Deng Xiaoping and represented by Zhao Ziyang, however, argued that a radical break needed to be made from the past. Centralised planning to this faction was an impediment to socialist development since it was incompatible with economic efficiency. The logic was that economic institutions should be defined as ‘socialist’ to the extent that they contributed to developing productive forces. With the support of Deng, the reformers won this first round of factional differences over the adoption of a strategy to reform the economy. After Deng withdrew from all official positions in the late 1980s and Jiang Zemin was establishing himself as a reform conservative in the early 1990s, the most serious factional crises he had to encounter initially were in the form of the Yang brothers (Yang Shangkun and Yang Baibing) who dominated the military and later Chen Xitong, the mayor of Beijing.

Through adroit political manoeuvres (and with the help of Zeng Qinghong),<sup>66</sup> Jiang Zemin managed to reverse the course by firstly convincingly embracing the reform platform represented by Zhu Rongji. He then convinced Deng Xiaoping that Yang Shangkun was plotting to take over the PLA and rehabilitate Zhao Ziyang. Were Zhao Ziyang to be rehabilitated, he would reverse the verdicts on Tiananmen and blame Deng for the events that led to it. Jiang thereby managed to change the terms of the discourse from reform to power politics. Amazingly, this manoeuvre succeeded brilliantly: Yang Shangkun and Yang Baibing found themselves sidelined at the 14th Congress in 1992, giving Jiang uncontested control of the Central Military Commission. With the Yang family out of the picture, the economy moved into boom phase now under control of a motley coalition of reformers and converted conservatives, who then proceeded to run the economy based on a hybrid middle-of-the-road policy of marketisation and opening to the outside world with domestic political centralisation.<sup>67</sup>

Chen Xitong, Jiang’s next factional challenger, was like the Yang brothers an ideological conservative and a strong supporter of the Tiananmen

crackdown. He was also a staunch and consistent supporter of reform, embracing Deng's 1992 initiatives earlier and more vociferously than Jiang. Moreover, Chen had long been personally close to the Deng family, whose business interests dovetailed with those of his own family, providing him a measure of protection as long as Deng remained politically potent. But, he had also been a consistent rival of Jiang Zemin, with his own formidable power base in the capital city. This factional dispute was not about differences regarding economic policies but was about power equations pitting two major regional factional bases (Jiang's 'Shanghai Gang' versus Chen Xitong's 'Beijing group') against each other. After some two years of diligent investigation (which Jiang Zemin delegated to Zeng Qinghong), Jiang finally succeeded in unearthing plausible evidence linking Chen's Beijing group to the corrupt activities of some State Security Bureau cadres down in Wuxi, who in turn were also linked to the giant Shougang steel plant in Beijing. Further, Jiang was able to dislodge and finally even imprison Chen Xitong on that basis, although the proceedings did not commence until the Deng family's business interests could be disentangled from the Shougang scandal and Deng himself had passed away. The fact that the legal case against Chen was a strong one does not of course mean it was pursued on purely legal grounds.<sup>68</sup>

In the Hu Jintao phase, a few factions have begun to coalesce and one notices the emergence of group cohesion within factions. For the sake of simplicity, the factions can be categorised into the following four groups:

- 1) "The Shanghai Gang" (*shanghaibang*) – With Jiang Zemin as leader, this group comes closest to the definition of a faction instead of a factional group. It is based on a patron-client relationship between Jiang and his followers, and is composed of politicians who have used Shanghai as a springboard to launch their careers. Prominent members of this faction include Zeng Qinghong, Wu Bangguo and Huang Ju.
- 2) The Chinese Communist Youth League Group (CCYL – *tuanpai*) – The CCYL cadres have long been visible in the Party centre and Hu Yaobang was the first among CCYL cadres to have assumed the top-most position in the Party. As a factional group, and not a faction, the CCYL does not have a single leader, but its members share experience in the same organisation and their sense of belonging to the same group has been dramatically enhanced since Hu Jintao

(a former CCYL member) became the General Secretary of the CPC.

- 3) “Qinghua Clique” – Since school ties are useful resources in politics, political leaders who share an experience with the same institute of higher education may choose to activate their school identities for political purposes. As a category, the Qinghua clique can claim Hu Jintao, Wen Jiabao and even Zhu Rongji, the former premier, who also fits in with the Shanghai Gang.
- 4) “Princelings” (*taize*) – This category refers to children of former high-ranking officials of the CPC. Deng Pufang, son of Deng Xiaoping; Chen Yuan, son of Chen Yun; Bo Xilai, son of Bo Yibo and Dai Bingguo, son of Huang Zhen (and also the Special Representative of the PRC for talks on the final settlement of the border dispute with India) are categorised as such.

Since the factions are only being identified now, it is not clear whether they are exclusive or have evolved into overlapping structures. Being a member of the Shanghai Gang, for instance, does not necessarily prevent one from being a member of the Qinghua clique. This flexible factional structure is a metamorphosis from the early days of the reform period when factions were rigid structures with identified postures and overlapping influence was unthinkable. Tracing the role of factions in the reform period, one observes that policy debates have centred on the issues of market mechanisms, property reform, price reform, financial decentralisation, management of state-owned entities and productivity, as opposed to ideological polemics that preceded the pre-reform era. These relatively technical issues have kept those involved in factional struggle from interfering in the drafting of economic plans and the adoption of positions on economic issues is no longer a moral issue. What is also discernible is that while factions in the traditional sense (i.e., leader oriented groupings) still exist, each faction, however, gives more thought to economic interests which are not directly related to the ideological identity of the faction.

## Conclusion

The overall results of reform in China to date include a strong rate of growth, rising average living standards and an epoch-making change in the openness of the economy. A significant role in making this transformation possible was played by Deng Xiaoping. While not personally

involved in economic management, Deng's 'political shift' in ideological orientation influenced the Party to reinvent itself as the harbinger of change and aspirations of the cadres.

Indeed, Deng essentially defined socialism as the means to economic development. What distinguished this definition was that there were safeguards built into it – namely, a Party-led state, substantial public ownership and achievement of a common prosperity. While the very emphasis on public ownership and the role of the Party implied that reform had significant political implications, these developmental goals required an actively interventionist state. To establish his credentials in the classical Maoist tradition, a relative political novice like Hua Guofeng viewed the state as an instrument of political mobilisation and the Party apparatus as the vanguard. The reformers, on the contrary, led by the 'twice rehabilitated' Deng Xiaoping, visualised an activist state that employed the developmental paradigm which separated economics from the political functions that it was designed to supplement. Another less highlighted contribution of Deng Xiaoping was the orderly manner in which he brought about the elevation and acceptance of Jiang Zemin as the General Secretary of the CPC after the 1989 Tiananmen Square crisis.

Jiang Zemin, however, was no Deng Xiaoping. He had neither the charisma nor the revolutionary experience that Deng had, and also lacked the enormous power and influence that Deng once wielded. When Jiang was appointed by Deng as General Secretary of the Party after the Tiananmen crisis in 1989, he lacked a solid base of power in both the Party hierarchy and the military. To a certain extent, Jiang remained in power since 1989 largely through coalition building and political compromise. His lack of a political base was reflected at the 15<sup>th</sup> Party Congress in 1997 and the 16<sup>th</sup> Party Congress in 2002 when he was unable to place some of his supporters on the central committee. To his credit, however, goes the long apprenticeship of Hu Jintao, first as Vice-President of the PRC and also later as the Vice-Chairman of the Central Military Commission specifically tasked with divesting the military from commercial activities.

Hu Jintao, as the present leader of the Party and the State, is acceptable to both the liberal and conservative wings of the CPC. Considered open-minded about future political reform in China and with a feel for social issues (as reflected in his ideological gambits), it is widely said that during his presidency at the Central Party School, he had supervised some bold

research programmes to reform the CPC. Time will tell whether he will evolve an ideological position of his own.

Analysing the influence of ideology on the reform process, it is quite certain that the CPC would continue to be guided by ruling ideologies, even when it aims to further the 'capitalist' reforms. As one scholar has argued, in the field of ideology there must be a point at which, by abandoning a particularly cherished principle or embracing a previously derided theory, an ideology loses its identity or perhaps, is absorbed into a rival ideology.<sup>69</sup> That 'point' at present seems quite distant. Lastly, the pattern of factionalism has continued to change since the end of the Cultural Revolution and the transformation of the political economy and bureaucratic culture in which it is embedded. This changing pattern of factionalism perhaps reflects a process of amoralisation in Chinese politics.

In China, factions reflect groups within the party elite with divergent interests and different preferred policy goals (e.g., pro-growth vs. pro-stability; radical reformers aiming at privatisation vs. moderate reformers aiming at only marketisation). In the course of reform and opening to the outside world, Chinese factionalism has come to manifest itself mainly in groups competing for resources and material benefits, contributing greatly to official corruption at the lower levels and at higher levels to the growing inclusion of bureaucratic interests and other policy issues on factional agendas. The outcome is that factions have adapted to the changing political landscape of economic modernisation by broadening their goals and participating in policy debates with increasing self-assurance.

### References/End Notes

- <sup>1</sup> Terry Eagleton, *Ideology – An Introduction*, Verso, London, 1991, p. 1.
- <sup>2</sup> Zbigniew Brzezinski, *Ideology and Power in Soviet Politics*, Greenwood Press, Westport, Conn., 1976, p. 98.
- <sup>3</sup> Martin Seliger, *Ideology and Politics*, The Free Press, New York, 1976, p. 14.
- <sup>4</sup> Franz Schurmann, *Ideology and Organisation in Communist China*, University of California Press, Berkeley, 1966, p. 18.
- <sup>5</sup> See, Stuart Schram, *Ideology and Policy in China since the Third Plenum, 1978-1984*, Research Notes and Studies, No.6, SOAS/University of London, London, 1984; Lucien Pye, "On Chinese Pragmatism", *The China Quarterly* (London), 106, June 1986, p. 230; Malcolm B. Hamilton, "The Elements of the Concept of Ideology", *Political Studies* (Sheffield), 35 (1), March 1987, p. 18; Martin Seliger, *Ideology and*

*Politics*, The Free Press, New York, 1976, p. 14.

- <sup>6</sup> Albert Feuerwerker, "Chinese History and the Foreign Relations of Contemporary China", *The Annals of the American Academy of Political and Social Science* (Philadelphia) (402), July 1972, pp. 1-11.
- <sup>7</sup> *Ci Hai*, Shanghai Dictionary Publishing House, Shanghai, 1979, p. 2766.
- <sup>8</sup> "Political elite" defines the top leaders of the party and/or state. There is also an "intellectual elite" that refers to leading intellectuals whose theories and ideas have influenced the course of Chinese political and economic developments since 1978.
- <sup>9</sup> Wei-Wei Zheng, *Ideology and Economic Reform Under Deng Xiaoping 1978-1993*, Kegan Paul, London, 1996, pp. 1-2.
- <sup>10</sup> Communist ideology is frequently classified by political scientists into three ideal types: Seliger's 'fundamental' and 'operative' ideology, Moore's 'ideology of ends' and 'ideology of means,' and Schurmann's 'pure' and 'practical' ideology. While at a fundamental level, it refers to the body of theories considered as 'universal truth,' such as the end goal of communism, class and class struggle, democratic centralism and the historical mission of the proletariat, at an operative level it designates sets of political ideas and values put forward by political elites to guide or justify their concrete policies and actions. It is not always easy, however, to draw a clear distinction between fundamental and operative ideology, as there is frequently a degree of overlapping between the two. See Martin Seliger, *Ideology and Politics*, The Free Press, New York, 1976; Barrington Moore, *Soviet Politics - The Dilemma of Power, the Role of Ideas in Social Change*, Harvard University Press, Cambridge, Mass., 1950, pp. 402-03; Franz Schurmann, *Ideology and Organisation in Communist China*, University of California Press, Berkeley, 1966, p. 18.
- <sup>11</sup> For the cyclical nature of Chinese politics, see Ruan Ming, *Lishi zhaunzhedian shang de huyaobang (Hu Yaobang at the Turning-Point of History)*, Global Publishing Co., Hong Kong, 1991; Harry Harding, *China's Second Revolution: Reform After Mao*, Brookings Institute, Washington D.C., 1987; and Carol Lee Hamrin, *China and the Challenge of the Future: Changing Political Pattern*, Westview Press, Boulder CO, 1990.
- <sup>12</sup> See Christopher Howe, Y.Y. Kueh and Robert Ash (eds), *China's Economic Reform - A Study with Documents*, Routledge Curzon, London, 2003, pp. 1-55.
- <sup>13</sup> This term was first coined by Mao Zedong at a Politburo meeting in 1974 to criticise his wife Jiang Qing and her allies for their political actions during the Great Proletarian Cultural Revolution (GPCR). The other three associates of Jiang Qing were Zhang Chunqiao, Yao Wenyuan and Wang Hongwen.
- <sup>14</sup> On April 30, 1976, four months prior to his death, Chairman Mao sanctified the role of Hua Guofeng with a scribbled six-character phrase 'Ni banshi, wo fanxin' (With you in charge, I am at ease). Cited in Philip Short, *Mao - A Life*, Hodder & Stoughton, London, 1999, p. 624.

- <sup>15</sup> Hu Fuming, the author of the article was a party member and the vice-chairman of the Philosophy Department of Nanjing University.
- <sup>16</sup> Dazhai was a self-sufficient commune that produced more than double the average crop yield compared to other communes and in 1964, Mao Zedong hailed it as an example of the ideal socialist settlement. "In agriculture, learn from Dazhai," went the slogan, and the village became a pilgrimage point for top leaders, party cadres and Red Guards. Daqing, where oil was struck in the early 1970s, used to be the standard bearer of China's industrial enterprises. 'Industry emulates Daqing' was the most cited political slogan in the frenzied days of the Cultural Revolution.
- <sup>17</sup> Wei-Wei Zheng, no. 9, p. 20.
- <sup>18</sup> Deng Xiaoping clearly rejected the 'Two Whatevers' in his letter of May 24, 1977, to the CPC Central Committee. See Deng Xiaoping, "The Two Whatevers do not Accord with Marxism" in *Selected Works of Deng Xiaoping 1975 -1982*, Vol. 2 (hereafter *SWDX*), Renmin Chubanshe, Beijing, 1991, pp. 51-52.
- <sup>19</sup> Deng Xiaoping, "Hold High The Banner of Mao Zedong Thought and Adhere to the Principle of Seeking Truth From Facts", September 16, 1978, in *SWDX*, Ibid, pp. 137-39.
- <sup>20</sup> Hu Yaobang, as vice-president of the Central Party School had published the article 'Practice is the sole criterion for testing truth' in *Lilun Dongtai* (Theoretical Trends), an internal journal of the Party School.
- <sup>21</sup> See Ruan Ming, *Lishi zhuanzhe dian shangde Hu Yaobang (Hu Yaobang at the Turning Point of History)*, Global Publishing Co., Hong Kong, 1991, p. 14; and, Research Department, CCP Secretariat, *Jianchi gaige kaifang gaohuo (Adhere to Reform, Opening and Invigorating the Economy – A Collection of Important Documents since the Third Plenum of the 11<sup>th</sup> CCP Central Committee)*, People's Press, Beijing, 1987, p. 7.
- <sup>22</sup> See Rick Baum, *Burying Mao – Chinese Politics in the Age of Deng Xiaoping*, Princeton University Press, Princeton, 1994.
- <sup>23</sup> Deng Xiaoping, "Opening Speech at the Twelfth National Congress of the Communist Party of China," September 1, 1982, *SWDX*, 3, pp. 1-13.
- <sup>24</sup> Deng Xiaoping had stated rather bluntly in his speech at the 12<sup>th</sup> National Congress that: "no foreign country should expect China to become its vassal (*fuyong*)...by undermining China's own interests." *SWDX*, 3, pp. 12-13.
- <sup>25</sup> Wang Xiaoqiang, Deputy Director of the Institute for Research on the restructuring of the economic system as cited in Wei-Wei Zheng, no. 9, p. 51.
- <sup>26</sup> Roderick MacFarquhar, "The Succession to Mao and the End of Maoism 1969-1982", in Roderick MacFarquhar (ed.) *The Politics of China – The Era's of Mao and Deng*, 2<sup>nd</sup> ed., Cambridge University Press, Cambridge, 1997, p. 337.
- <sup>27</sup> "Details of the Amendments to the Constitution", *China Daily* (Beijing), March 15, 2004.
- <sup>28</sup> Jia Hepeng, "The Three Represents Campaign: Reform the Party or Indoctrinate

- the Capitalists”, *Cato Journal* (Washington) 24 (3), Fall 2004, pp. 261-75.
- <sup>29</sup> “Zhongyang zhaokai dianshi dianhua huiyi dui xianji yishang lingdao dangxing dangfeng jiaoyu zuochu bushu” (“The ‘center’ held a teleconference to begin boosting party morale among leaders higher than the county level”). *Renmin Ribao* (*People’s Daily*), December 6, 1998.
- <sup>30</sup> Jiang Zemin, “Lingdao ganbu yiding yao jiang zhengzhi” (Leaders Must Stress Politics), Speech given on September 27, 1995, CCP Central Propaganda Department, as cited in *Jiangxuexi, jiangzhengzhi, jiangzhengqi* (*Stress Learning, Stress Politics, and Stress Righteousness*), Xuexi Chubanshe (Learning Press), Beijing, 1996, pp. 314-18.
- <sup>31</sup> Jiang Zemin, “Zai xinde lishi tiaojian xia, womendang ruhe zuodao sange daibiao?” (In This New Historical Era, How Can Our Party Achieve Three Represents?), in *Lun sange daibiao* (*Jiang Zemin’s Expositions on Three Represents*), Zhongyang Wenxian Chubanshe (Central Documentary Press), Beijing. The book is a collection of 12 speeches of Jiang on the topic, including his July 1 speech.
- <sup>32</sup> “Zhongyang ‘sanjiang’ jiaoyu lianxi huiyi fuzeren Zhang Quanjing qiangdiao: ba xuexi guanche ‘sange daibiao’ sixiang guanchuan ‘sanjiang’ jiaoyu quanguocheng” (Zhang Quanjing, the central coordinator of the three stresses education, emphasises: Implement the learning of the three represents thought throughout the three stresses educational activities”), *Xinhua*, May 30, 2000.
- <sup>33</sup> J. Paltiel, “Jiang Talks Politics – Who Listens? Institutionalization and Its Limits in Market Leninism”, *The China Journal*, 45, January 2000, pp. 113-21.
- <sup>34</sup> Bruce J. Dickson, “Whom Does the Party Represent? From ‘Three Revolutionary Classes’ to ‘Three Represents’.” *American Asian Review*, 21, Spring 2003, pp. 1-24.
- <sup>35</sup> The closedown of two leftist magazines *Zhenli de Zhuiqiu* (*Quest for Truth*) and *Zhongliu* (*Mainstream*) in 2001 are a case in point.
- <sup>36</sup> Expenditures in the central budget for social security programmes in 2001 totalled \$11.9 billion, 5.18 times the figure for 1998, according to the then Finance Minister Xiang Huaicheng. The government budget report delivered by the new Finance Minister Jin Renqing in March 2004 indicated that in 2003, in addition to the continued growth of the central and local governments’ expenditure on social security programmes, a special fund of \$567.6 million was established in the central budget for transfer payments to local governments to support re-employment programmes. See Jin Renqing, “Report on the Implementation of the Central and Local Budgets for 2003 and on the Draft of Central and Local Budgets for 2004.” Speech delivered at the Fifth Session of the Ninth National People’s Congress on March 6, 2004. The English text is available at [www.chinadaily.com.cn/english/doc/2004-03/17/content\\_315591.htm](http://www.chinadaily.com.cn/english/doc/2004-03/17/content_315591.htm).
- <sup>37</sup> Wen Jiabao is one of the most popular political leaders in China. He is often seen as a Zhou Enlai-like figure and his experience is remarkable; he worked as chief of staff for three top leaders – Hu Yaobang, Zhao Ziyang, and Jiang Zemin. A crafty political mind, Wen survived the purging of former bosses Zhao Ziyang

and Hu Yaobang. Wen has gained broad administrative experience over the past decade – surviving political crises such as the 1989 Tiananmen incident, coordinating power transitions, and commanding the anti-flood campaign in 1998. Furthermore, since the late 1990s, Wen has supervised the nation's agricultural affairs and has overseen the reform of the financial and banking systems. Wen appears a quick learner and a brilliant self-taught economist. His skill as a superb administrator and his role as a coalition-builder explain his legendary survival and success. However, Wen has two main weaknesses. First, Wen does not possess a solid power base. Second, Wen has no provincial-level leadership experience.

- <sup>38</sup> These tensions are particularly pronounced in the unhealthy micro-infrastructure of economic development, which in turn causes the lack of enduring strength for development, income disparity between people of different social strata and geographic regions, tremendous pressure from unemployment worsened by the lack of social security systems, serious shortages of basic facilities in areas that directly affect people's lives such as hygiene and education, deterioration of the ecological system, and so forth. These social disorders have accrued for an extended period of time and have become a major source of public frustration and resentment.
- <sup>38</sup> Joseph Fewsmith, "Studying the Three Represents", *China Leadership Monitor*, 8, Fall 2003, at <http://www.chinaleadershipmonitor.org/pastissues>
- <sup>39</sup> "Zhonggong zhongyang guanyu zai quandang xingqi xuexi guanche 'sange daibiao' zhongyao sixiang xin gaochao de tongzhi" (CCP centre circular on whipping up a new tide in the study and implementation of the "Three Represents"), at <http://www.people.com.cn/GB/shizheng/1024/1928842.html>
- <sup>40</sup> Hu Jintao, *Zai "sange daibiao" zhongyao sixiang lilun yantaohui shangde jianghua* (An Address in a Conference of "Three Represents" Important Thought, Beijing, Renmin Chubanshe, 2003, pp. 14-17.
- <sup>41</sup> *Ibid*, pp. 16-19.
- <sup>42</sup> Cheng Li, "Hu's Policy Shift and the *Tuanpai's* Coming-of-Age", *China Leadership Monitor*, 15, Summer 2005, at <http://www.chinaleadershipmonitor.org/currentissue>
- <sup>43</sup> See Young Nam Cho, "Political Reform Without Substantial Change: An Assessment on the Hu-Wen Leadership in China", *Asian Perspective* (Seoul) 28 (3), 2004, pp. 61-86.
- <sup>44</sup> Editorial – "Hu Emerging from Jiang's Shadow", *South China Morning Post*, November 14, 2003; Willy Wo-Lap Lam, "China: Breaking with the Past?", at <http://www.cnn.com/news/asia-pacific/lam-story/34929shtml>.
- <sup>45</sup> See Kuotsai Tom Liou, *Managing Economic Reforms in Post-Mao China*, Praeger, Westport Conn., 1998, pp. 49-72.
- <sup>46</sup> Michael NgQuinn, "The Analytic Study of Chinese Foreign Policy," *International Studies Quarterly* (London) 27 (2), June 1983, p. 212.

- <sup>47</sup> Classic studies on the subject of factionalism in Chinese politics include Andrew Nathan, "A Factionalism Model for Chinese Politics", *The China Quarterly*, 53, January-March 1973, pp. 34-66; and Tang Tsou, "Prolegomenon to the Study of Informal Groups in Chinese Communist Party Politics," *The China Quarterly*, 65, January 1976, pp. 98-114.
- <sup>48</sup> Lucien W. Pye, *The Dynamics of Chinese Politics*, Oelgeschlager, Gunn & Hain, Cambridge, MA, 1981, p. 13. As examples, the Lin Biao affair in 1971 helped remove the major obstacle within Beijing's leadership to the opening of Sino-American ties and Hu Yaobang's over-promotion of the Sino-Japanese relationship was one of the excuses raised by the Party's conservative elements to push him out of power in 1987.
- <sup>49</sup> Gavin Boyd, "The Foreign Policy of China," in James N. Rosenau, Kenneth W. Thompson and Gavin Boyd (eds) *World Politics: An Introduction*, The Free Press, New York, NY, 1976, p. 115.
- <sup>50</sup> Zhiyue Bo, "The 16<sup>th</sup> Central Committee of the Chinese Communist Party: Formal Institutions and Factional Groups", *Journal of Contemporary China* (London) 13 (39), May 2004, pp. 223-56.
- <sup>51</sup> Chih-yu Shih, *Reform, Identity and Chinese Foreign Policy*, Vanguard Institute for Policy Studies, Taipei, 2000, p. 37.
- <sup>52</sup> See Parris H. Chang, *Power and Policy in China*, The Pennsylvania State University Press, University Park, 1975.
- <sup>53</sup> Andrew Nathan, "Policy Oscillations in the People's Republic of China," *The China Quarterly*, 68, October 1976, p. 722.
- <sup>54</sup> Lucien W. Pye, no. 49, p. 8.
- <sup>55</sup> Traditionally, *guanxi* was rooted in the idea of Confucianism, which prescribed the nature and the content of the ties that sustained and regulated court hierarchy, friendships (largely amongst the elite strata) and an extended web of kinship. In a contemporary context, *guanxi* becomes a cultural metaphor that enables people to imagine and position themselves in new relationships. For a superb elucidation on *guanxi*, see Ming-Cheng M. Lo and Eileen M. Otis, "Guangxi Civility: Processes, Potentials, and Contingencies", *Politics & Society*, 31 (1), March 2003, pp. 131-62.
- <sup>56</sup> Thomas Fingar, *China's Quest for Independence: Policy Evolution in the 1970s*, Westview Press, Boulder, CO, 1980, p. 9.
- <sup>57</sup> Michel Oksenberg and Steven Goldstein, "The Chinese Political Spectrum," *Problems of Communism* (New York) 23 (2), March-April 1974, p. 3.
- <sup>58</sup> Thomas Fingar, no. 57, p. 28.
- <sup>59</sup> See Frederick C Tiewes, "Mao and His Lieutenants," *Australian Journal of Chinese Affairs*, 29 (20), 1988, pp. 1-80.
- <sup>60</sup> *Zhongyang* usually includes the members of the Standing Committee of the Politburo, the Politburo itself, the Central Committee Secretariat, the State Council

and the Military Affairs Commission of the Central Committee.

- <sup>61</sup> Lucien Pye, no. 49, p. 16.
- <sup>62</sup> Parris Chang, "The Emergence of Reform Forces and Politics," in San-Woo Rhee (ed.) *China's Reform Politics*, Sogang University Press, Seoul, 1986, pp. 36-39.
- <sup>63</sup> Susan Shirk, "The Politics of Industrial Reform," in Elizabeth J. Perry and Christine Wong (eds) *The Political Economy of Reform in Post-Mao China*, The Council on East Asian Studies/Harvard University, Cambridge, 1986, p. 221.
- <sup>64</sup> Gordon White, *Riding the Tiger – The Politics of Economic Reform in Post-Mao China*, Macmillan, London, 1993, p. 63.
- <sup>65</sup> Zeng Qinghong's personality and performance are also remarkable. Zeng is a well-rounded tactician with a long-term vision and a great sense of timing. It was Zeng who initiated the investigative report on official corruption and social unrest in the country (2002). This report revealed the enormity of the socio-political problems that China faces. For over a decade, Zeng served as a chief-of-staff for Jiang Zemin. Largely because of Zeng's political connections and his coalition building skills, Jiang gradually consolidated his power in Beijing. Zeng's main weakness, however, is that he has been too closely tied to Jiang. Zeng has intimidated many other leaders because of his formidable skills in political manipulation.
- <sup>66</sup> Willy Wo-lap Lam, *The Era of Jiang Zemin*, Prentice-Hall, New York, 1999, pp. 236-288; Lowell Dittmer and Yu-Shan Wu, "The Modernization of Factionalism in Chinese Politics", *World Politics*, 47, 1995, pp. 467-94.
- <sup>67</sup> See Chen Xiaotong, *Chen Xitong erzi Chen Xiaotong zi shu* (The book of Chen Xitong's son Chen Xiaotong), Huanqiu shiye gongsi, Hong Kong, 1998. Chen Xiaotong maintains that the case against his father was entirely circumstantial lacking any direct inculpatory evidence and that the investigation was pursued for ulterior motives, suggesting at one point this merely represented a battle between the Shanghai Gang and the Beijing Gang.
- <sup>68</sup> Andrew Heywood, *Political Ideologies*, 2nd ed, Macmillan, London, 1998, p. 14.

Raviprasad Narayanan is Associate Fellow at IDSA.