

Vaunting the best, fearing the worst

China's Communist Party is preparing for its ten-yearly change of leadership. The new team could be in for a rough ride



Few Chinese know much about Xi Jinping, the man who will soon be in charge of the world's most populous country and its second-largest economy. This makes the inhabitants of the remote village of Xiajiang, nestled by a river amid bamboo-covered hills in the eastern province of Zhejiang, highly unusual. They have received visits from Mr Xi four times in the past decade. Impressed by his solicitude, they recently erected a wooden pavilion in his honour (above). During his expected decade in power, however, Mr Xi will find few such bastions of support. The China he is preparing to rule is becoming cynical and anxious as growth slows and social and political stresses mount.

Mr Xi's trips to Xiajiang, a long and tortuous journey past tea plantations and paddy fields in a backward pocket of the booming coastal province, were part of his prolonged apprenticeship for China's most powerful posts. They took place while Mr Xi was the Communist Party chief of Zhejiang from 2002 to 2007. He had just turned 50 when he made his first trip, continuing a tradition started by his predecessor as Zhejiang's chief, Zhang Dejiang, who now also looks likely to be promoted to the pinnacle of power in Beijing. Mr Zhang's idea was to visit a backward place in the countryside repeatedly to monitor its progress over time. Xiajiang was the lucky target. When Mr Xi adopted it, villagers found themselves with a sugar daddy of even greater power: the scion of a revolutionary family. His father, Xi Zhongxun, was one of Mao's comrades in arms, but later fell out with him and spent much of the next 16 years in some form of custody. Since 2007, when Mr Xi was elevated to the Politburo's Standing Committee, no one has ever seriously doubted that he was being groomed for the very top.

Villagers say Mr Xi helped Xiajiang secure funding and approvals for its projects, which included pooling village land to grow grapes and medicinal plants. It is unclear how much Mr Xi was actively involved, or whether his mere interest in the village inspired lower-level officials. It is known that he took a keen interest in converting the village to the use of biogas. "A master of building methane-generating pits," Mr Xi jokingly called himself on one visit, referring to his similar efforts back in the 1970s during the Cultural Revolution when he worked in a People's Commune in northern Shaanxi. Recalling his dusty labours there, he wrote in 1998: "I am a son of the yellow earth"—as if he, a "princeling" of one of Communist China's most powerful families, was just a common man.



Xi, the new enigma

Mr Xi kept in touch with Xiajiang's officials even after he became President Hu Jintao's heir-apparent. A large copy in bronze of one of his letters, written in May last year, adorns the new pavilion. "I hope you will thoroughly implement the concept of scientific development," he urges them. By this he means development that is fair to all, environmentally friendly and sustainable.

In a room in the village headquarters, Mr Xi's face is all over the walls. Officials have recently given a few honoured residents large portraits of Mao Zedong to hang in their living rooms, as well as photographs of Mr Xi touring the village. (The two men look fairly similar, with their portly frames and full cheeks.) The exhibition calls the village "Happy Xiajiang".

At the party's 18th congress, which begins on November 8th and is expected to last about a week, it is a foregone conclusion that Mr Xi will be "elected" to the party's new central committee of around 370 people. This will then meet, immediately after the congress, to endorse a list of members of a new Politburo. Mr Xi's name will be at the top, replacing that of Hu Jintao as general secretary. He might also be named as the new chairman of the party's Central Military Commission, replacing Mr Hu as China's commander-in-chief. In March next year, at the annual meeting of China's rubber-stamp parliament, the National People's Congress, he will be elected as the country's new president.

Mr Hu's speech at the 18th congress will thus be his swansong (even if he keeps his military title for a year or two, as predecessors have done, he will probably stay out of the limelight). It will be suffused with references to the signature slogans of his leadership: "scientific development", "building a harmonious society", "putting people first" and generating "happiness". (Indices measuring which have become a fad among officials in recent years, their credibility somewhat undermined by repeated findings that Lhasa, the troop-bristling capital of Tibet, is China's happiest city of all.) Xiajiang knows the slogans well. A billboard on the edge of the river urges villagers to "liberate [their] way of thinking, promote scientific development, create a harmonious Xiajiang and bring benefit to the masses". Mr Hu will proclaim success in endeavours like these across the country. Having presided over a

quadrupling of China's economy since he took over in 2002, he has reason to crow. In the same period China has grown from the world's fifth-largest exporter to its biggest.

Mr Hu, aided by his prime minister, Wen Jiabao (who is also about to step down), can also point to progress towards helping the poor. During the past ten years fees and taxes imposed on farmers, once a big cause of rural unrest, have been scrapped; government-subsidised health insurance has been rolled out in the countryside, so that 97% of farmers (up from 20% a decade ago) now have rudimentary cover; and a pension scheme, albeit with tiny benefits, has been rapidly extended to all rural residents. Tuition fees at government schools were abolished in 2007 in the countryside for children aged between six and 15, and in cities the following year (though complaints abound about other charges levied by schools).

In urban China there have been improvements, too. These include huge government investment in affordable housing. A building spree launched in 2010 aims to produce 36m such units by 2015 at what China's state-controlled media say could be a cost of more than \$800 billion. Over the past five years more than 220m city-dwellers without formal employment have been enrolled in a medical-insurance scheme that offers them basic protection (though, like the rural one, it provides little comfort for those needing expensive treatment for serious ailments and accidents). This means that 95% of all Chinese now have at least some degree of health cover, up from less than 15% in 2000.

Mr Hu is also likely to highlight China's growing global status: its rise from a middle-ranking power to one that is increasingly seen as second only to America in its ability to shape the course of global affairs, from dealing with climate change to tackling financial crises. Its influence is now evident in places where it was hardly felt a decade ago, from African countries that supply it with minerals, to European ones that see China's spending power and its mountain of foreign currency as bulwarks against their own economic ruin. It is even planning to land a man on the moon. In July the People's Daily, the party's main mouthpiece, called the last decade a "glorious" one for China. "Never before has China received so much attention from the world, and the world until now has never been more in need of China."

The people's mistrust

Unfortunately for Mr Hu, as well as for Mr Xi, the triumphalism of the People's Daily does not appear to be matched by public sentiment. Gauging this is difficult; but the last three years of Mr Hu's rule have seen the opening of a rare, even if still limited, window onto the public mood.

This has been made possible by the rapid development of social media: services similar to Twitter and Facebook (both of which are blocked in China) that have achieved extraordinary penetration into the lives of Chinese of all social strata, especially the new middle class. The government tries strenuously to censor dissenting opinion online, but the digital media offer too many loopholes. One of the greatest achievements of the Hu era (though he would claim no credit) has been the creation, through social media, of the next best thing to a free press. China's biggest microblog service, Sina Weibo, claims more than 300m users. This is misleading, since many have multiple accounts. But nearly 30m are said to be "active daily", compared with 3m-4m copies of China's biggest newspaper, Cankao Xiaoxi.

Chinese microbloggers relentlessly expose injustices and attack official wrongdoing and high-handedness. They help scattered, disaffected individuals feel a common bond. Local grievances that hitherto might have gone largely unnoticed are now discussed and dissected by users nationwide. Officials are often taken aback by the fervour of this debate. Sometimes they capitulate. In September photographs circulated by microbloggers of a local bureaucrat smiling at the scene of a fatal traffic accident, and wearing expensive watches, led to his dismissal.

Many of the most widely circulated comments on microblogs share a common tone: one of profound mistrust of the party and its officials. Classified digests of online opinion are distributed among Chinese leaders. They pay close attention.

Stemming this rising tide of cynicism will be one of Mr Xi's biggest challenges. Dangerously for the country's stability, it coincides with growing anxiety among intellectuals and the middle-class generally about where the country is heading. Even in the official media, articles occasionally appear describing the next ten years as unusually tough ones for China, economically and politically. In August official-media websites republished an article, "Internal Reference on Reforms: Report for Senior Leaders" that was circulated earlier in the year in a secret journal. Its warning about the "latent crisis" facing China in the next decade was blunt. "There are so many problems now, interlocked like dogs' teeth," it said, with dissatisfaction on the rise, frequent "mass disturbances" (official jargon for protests ranging in size from a handful of people to many thousands) and growing numbers of people losing hope and linking up with like-minded folk through the internet. It said these problems could, if mishandled, cause "a chain reaction that results in social turmoil or violent revolution".

The author, Yuan Xucheng, a senior economist at the China Society of Economic Reform, a government think-tank, proposed a variety of remedies. They ranged from the liberal (such as easing government controls over interest rates, which act as a way of subsidising lending to state enterprises at the expense of ordinary savers) to the draconian (beefing up the police and "resolutely" clamping down on dissidents using "the model of class struggle"). The next ten years, argued Mr Yuan, offered the "last chance" for economic reforms that could prevent China from sliding into a "middle-income trap" of fast growth followed by prolonged stagnation.

Mr Xi is likely to share his concerns about the economy. They are similar to those raised in a report published in February by the World Bank together with another government think-tank, the Development Research Centre of the State Council. This rare joint study, produced with the strong backing of Li Keqiang (who is expected to take over from Mr Wen as prime minister next March), also raised the possibility of a "middle-income trap" and called for wide-ranging economic reforms, including ones aimed at loosening the state's grip on vital industries, such as the financial sector. It gave warning that a sudden economic slowdown could "precipitate a fiscal and financial crisis", with unpredictable implications for social stability (though World Bank officials tend to be optimistic that China can avoid a slump).

Dangers pending

Mr Xi is being besieged from all sides by similar warnings of possible trouble ahead. A recurring theme of commentary by both the "left" (meaning, in China, those who yearn for more old-style communism) and the "right" (as economic and political reformers are often termed) is that dangers are growing at an alarming rate. Leftists worry that the party will implode, like its counterparts in the former Soviet Union and eastern Europe, because it has embraced capitalism too wholeheartedly and forgotten its professed mission to serve the people. Rightists worry that China's economic reforms have not gone nearly far enough and that political liberalisation is needed to prevent an explosion of public resentment. Both sides agree there is a lot of this, over issues ranging from corruption to a huge and conspicuous gap between rich and poor. Hu Xingdou of the Beijing Institute of Technology says it has become common among intellectuals to wonder whether 70 years is about the maximum a single party can remain in power, based on the records set by the Soviet Communist Party and Mexico's Institutional Revolutionary Party. China's party will have done 70 years in 2019.

Chinese intellectuals and officials have a habit of worrying. They did a lot of it after the Tiananmen Square protests, as instability swept the communist world. In the early 1990s many wondered whether China could reach the end of the decade without experiencing another upheaval itself. But the forecasters of looming chaos proved dramatically wrong. They failed to predict the economic spurt in 1992 that propelled China free of its planned-economy moorings. By the turn of the century this momentum began to create a middle class whose members had a stake in keeping the growth-loving party in place.

This middle class, however, is now beginning to worry about protecting its gains from the whims of law-flouting officialdom and the caprices of the global economy. It frets about the environment and food contaminated with chemicals. Even if China's economy, as some

analysts expect, continues to grow at strong single-digit rates for the rest of the decade, most agree that the heady double-digit days of much of the past ten years are over.

China's media censors do not want the supposed difficulties of the next few years blamed on the outgoing leadership. They were very unhappy with an essay written by one of the party's own senior theoreticians which was published in September on the website of *Caijing*, a Beijing magazine. The scholar, Deng Yuwen, who is a senior editor of the party journal, *Study Times*, wrote that the Hu era had possibly created more problems than it had solved.

The party, he said, was facing "a crisis of legitimacy", fuelled by such issues as the wealth gap and the party's failure to "satisfy demands for power to be returned to the people". Mr Deng's views were deleted from the website within hours. On his Sina Weibo microblog (with around 6,600 followers: not bad for someone whose job is to write for party insiders) he describes himself as one who "cries out for freedom and struggles for democracy".

Despite the censors, Mr Deng's views continue to be echoed by party liberals. In mid-September the National Development and Reform Commission, the government's economic-planning agency, convened a meeting of some 70 scholars in Moganshan, a hillside retreat once beloved of Shanghai's colonial-era elite. "I strongly felt that those with ideals among the intelligentsia were full of misgivings about the situation in China today," said Lu Ting, an economist at Bank of America Merrill Lynch, who took part. Several of the scholars, he wrote for the website of *Caixin*, a Chinese portal, described China as being "unstable at the grass roots, dejected among the middle strata and out of control at the top". Almost all agreed that reforms were "extremely urgent" and that without them there could be "social turmoil".

Liberals have been encouraged by the downfall of Bo Xilai, who was dismissed as party chief of Chongqing, a region in the south-west, in March and expelled from the party in September. Leftists had been hailing Mr Bo as their champion, a defender of the communist faith. They accused the right of inventing allegations of sleaze in an effort to prevent his rise to the top alongside Mr Xi. The authorities have closed down leftist websites which once poured out articles backing him. But they have not silenced the left entirely: on October 23rd leftists published an open letter to the national legislature, signed by hundreds of people including academics and former officials, expressing support for Mr Bo. The question is, what does Mr Xi think? Will he heed the right's demands for more rapid political and economic liberalisation, maintain Mr Hu's ultra-cautious approach, or even take up Mr Bo's mantle as a champion of the left?



Happy Xiajiang?

There is little doubt that Mr Xi is more confident and outgoing than Mr Hu. His lineage gives him a strong base of support among China's ruling families. But analysts attempting to divine his views are clutching at straws. A meeting in recent weeks between Mr Xi and Hu Deping, the liberal son of China's late party chief, Hu Yaobang, raised hopes that he might have a soft spot for reformists. Mr Xi's record in Zhejiang inspires others to believe that he is on the side of private enterprise (the province is a bastion of it). His late father, some note, had liberal leanings. The Dalai Lama once gave a watch to the elder Mr Xi, who wore it long after the Tibetan leader had fled into exile. This has fuelled speculation that Xi Jinping might be conciliatory to Tibetans. Wishful thinking abounds.

The visitor to Mr Xi's adopted village, Xiajiang, might be encouraged that it has tried a little democracy. A former party chief there says candidates for the post of party secretary have to have the support of 70% of the villagers, including non-party members. During his apprenticeship, however, Mr Xi has been wary of going too far with ballot-box politics. In a little-publicised speech in 2010 he attacked the notion of "choosing people simply on the basis of votes". That is not a problem he will face at the party congress.

Fonte: The Economist, London, v. 405, n. 8808, p. 21-24, 27 Oct. a 2 Nov. 2012.