

The making of new China

If China has changed out of all recognition since the founding of the People's Republic, the Communist Party of China, which has been in power since 1949, has undergone as great a transformation, as Kerry Brown relates.

October 1 2009 was the 60th anniversary of the establishment of the People's Republic of China. But it also marked another, equally significant anniversary - the sixth decade in which the Communist Party of China (CPC) has held power in the PRC. While these two events are intimately linked, they are not the same. The PRC did not exist in any shape or form before 1949. The CPC was already 28 years old when it finally attained power.

Over those first 28 years, it had passed through many troughs and crests. At its first meeting, in Shanghai, in July 1921, a mere 13 delegates had represented 54 members. It is unlikely that without the support of the International Comintern, in the newly founded Soviet Union, it would have even got this far. Ordered by Moscow to work in harmony with the Nationalists of Sun Yatsen and, after his death in 1925, Chiang Kaishek, it was viciously attacked by the Nationalists in April 1927, with thousands of its key operatives wiped out. A retreat to the rural areas, and a

new strategy under the rising leader Mao Zedong saw it survive huge challenges in the 1930s. Its last moment of near annihilation came as late as the winter of 1948, during the Civil War, when the Nationalists nearly eradicated it. But in October 1949 it was triumphant. As the Communist song says, 'Without the CPC, there would be no New China.' The PRC was, and is, the Communist Party's creation, and its successes and failures over the last six decades have also been the Party's.

From Maoism to modernity

Under the CPC's stewardship, the PRC has been through two very distinct phases - phases which are so different, in fact, that at times, when describing them, they seem to relate to two countries, not one. From 1949 to 1976, during the era of Mao Zedong, an economic and political model largely borrowed from the Soviet Union was used, with heavy industrialisation, and central planning, and an increasingly authoritarian leadership. The apex of

this was the Cultural Revolution from 1966 to 1976, when Maoism reached such extreme heights that other leaders almost disappeared. The social and economic legacy of Maoism was to be bankruptcy and a yearning for a new path. From 1978, that path was largely decided during the re-emergence of veteran military and Party leader Deng Xiaoping. The CPC linked its future, and the future of the PRC, to economic development. In the last three decades, this has been the dominant theme.

In many areas it has been a success. China has become a major manufacturer, a holder of vast foreign exchange reserves (it had almost none of these in 1978), and has seen a dramatic shift of people from the countryside to cities. Hohhot, Inner Mongolia, distils much of this story. A place which suffered bitterly during purges in the Cultural Revolution, it was one of the poorest provincial capitals throughout the 1980s and 1990s. I lived there from 1994 to 1996. Power cuts were frequent, there were no international hotels or restaurants, few imported cars, and only a couple of shops even selling foreign goods. A wage of £50 a month was considered high. I taught English to medical doctors whose main ambition was to work in other Inner Mongolian towns. The less lucky ended up at primitive hospitals in the countryside. In August this year I was back in Hohhot. It recorded the fourth largest GDP growth on the planet. Two hundred new cars a day are registered for its newly rebuilt roads. It has an enormous new museum, with one of the best collections of dinosaurs I have ever seen.

Hohhot is just one of many cities that have seen this sort of transformation. Shanghai's Pudong area is the most celebrated - a run down collection of warehouses in the late 1970s, it was elevated by Deng Xiaoping to be a Special Economic Zone as late as 1990. But it wasted no time in catching up. Average per capita GDP here, for its 24m people (a 100 per cent increase over two decades ago) is now US\$9,000 per year. With next year's World Expo, to be held there from May to October 2010, it will be parading all that it has done in the last 20 years to an estimated audience of 70m visitors. A far cry from the city which, in 1968, saw the first, and last, people's commune briefly take control of the city government, before being slapped down by the authorities in Beijing.

Changing membership

The CPC at 60 looks to be in as rude health as the PRC. It has 80m members now, and with its institutions and structures still spreads its network across the whole of China, even reaching down to the village level, where Party branch secretaries continue, as they did in 1949, to recruit members, and disseminate the Party's most current key messages.

But the CPC in 2009 is a different entity to that which gained power in 1949, whatever

October 1 1949: Chairman Mao declares the founding of the People's Republic



China's current leader, President Hu Jintao, addresses a CBBC dinner in 2004



the common revolutionary legacy, and the shared ambition to create a 'new China.' The membership of the CPC throughout its first three decades in power was largely farmers, agricultural workers, people who had little education. In many ways, it regarded 'intellectuals' (meaning teachers, technicians and those who worked with their brains, not their hands) with suspicion. In the Cultural Revolution, intellectuals were called the 'stinking Number Nines', the lowest of the social classes. Many of them suffered dreadfully during this period.

In 2009, the elite leadership of the CPC, the Standing Committee of the Politburo, has nine members who are all university graduates. Seven of them are technocrats. The likely leaders of China from the next Party Congress in 2012, Xi Jinping and Li Keqiang, are both holders of PhDs, one in political science and the other in economics.

Education, as elsewhere in the world, has been a critical driver of development and social change. China has put enormous resources in the last three decades into sending graduates abroad to study, and into increasing university places within China. The Communist Party of China membership now is based much more in cities, amongst the educated, and with professional members. Former President Jiang Zemin's great innovation, the acceptance of non-state sector entrepreneurs into the CPC from 2001, means that today there are 750,000 business people who are CPC members. This shift from being a Party proclaiming a revolutionary Marxist Leninist creed as the basis for abrupt transformative social change, to one talking largely in terms of pragmatic measures to increase social harmony and deliver greater economic goods to the population, is perhaps the most remarkable achievement of the CPC in the last few decades.

Challenges ahead

In 1949, the average life expectancy in China was 35 years. Today, it is reaching into the mid-seventies. Many hundreds of millions

have been lifted from poverty. The country is unified, and playing an increasingly important global role.

As the PRC and CPC move into their seventh decade in power, however, despite all the achievements of the last few years, they will be aware of enormous challenges. These can broadly be divided into ones concerning the environment and energy, economic change, and political and social reform. Mishandling any of these could cause massive problems, for China and for the rest of the world. The CPC will be the last to be complacent over the enormity of what is facing it.

Environmentally, China has started to pay a high cost for its manufacturing-intensive economic model. According to the World Bank, it has 16 of the world's 20 most polluted cities. Water supply has become a critical concern. Surveys by the National Development and Reform Commission show that this is one of the areas the public are most concerned about. Air quality, despite improvements in some areas, is still a massive problem. At the heart of many of these issues is China's fundamental reliance on fossil fuels for its massive, and increasing energy needs. The current State Council has placed improvements in energy efficiency at the heart of its industrial and development policy.

Even so, without radical forms of new technology, China is looking to become the world's largest user of all energy forms by soon after 2020. Its need for energy has drawn it into major commitments in Central Asia, Africa and Latin America. China's challenge to solve some of its environmental and energy problems will be key to ensuring the delivery of an increasing level of prosperity to both its own people, and people in the rest of the world. This is one of the major challenges facing the CPC and PRC in the 21st century.

The second challenge, change in the economic model, is also critical. For three decades, China has relied, in many ways successfully, on creating heavy industrial infrastructure through very high levels of capital investment. It has built thousands of kilometres of roads, dozens of new airports and new stock of railways. But now the desire for Chinese manufacturers and companies to travel up the value chain is palpable. The chal-



Officials working in the countryside in 1977

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lenge of how to create a massive new knowledge economy, one with globally competitive technology and brands, is one policy makers have wrestled with since the 1990s. This will be a key theme in China's interaction with the world in the coming decade.

Looking to reform

The final issue is political and social reform. The CPC has looked long and hard since the 1980s at political models in other countries. But the consensus now is that because of China's size and social and ethnic complexity, none of these is quite right. Both Deng Xiaoping and Jiang Zemin talked about the need for public participation in decision making, and made reforms in this area. Almost a million village elections have been held since the first in 1988. Reformed resident committees have been set up in cities to give urban citizens a stronger voice. Huge efforts have gone into creating the rule of law, and helping civil society develop. Even so, there are clear areas where the Party has not, and will not, cede territory. Its argument is that political changes will take time, and need to be taken step by step. It points to the terrible disunity in the past. And it rightly says that a stable and prosperous China is in the interests not just of China, but the world.

Even so, this immense effort to balance different competing interests, and to allow only gradual change, will pose a huge challenge. There are places where it might easily slip back, or even fail. We should not be complacent about the potential disruption these challenges might cause. The Party certainly isn't. As it celebrates its 60th birthday in power, therefore, the CPC should be allowed a moment of proper celebration. But it knows that its greatest challenges lie, not in the past, but in the years ahead.

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