

Xi's corruption purge could sweep away his party too

China
The purge of corrupt officials is also an attack on the social contract between the Communist Party and the country's urban elite.



John Lee

Deng Xiaoping stunned post-Mao China in the early 1980s by saying that "to get rich is glorious". Many Chinese citizens did just that. Some three decades after wealth accumulation was officially sanctioned, President Xi Jinping's anti-corruption campaign is addressing some of the excesses. Getting rich is again becoming dangerous.

The campaign will not extend deep or far enough to really sweep away corruption in China, no matter how many Chinese Communist Party (CCP) members are demoted or placed in already crowded Chinese jails.

Anti-corruption campaigns are nothing new in China, though Xi has taken them to a new level. Targets are secretly chosen and investigated by the Central Discipline Inspection Commission, the country's most powerful and feared Star Chamber. The commission is answerable to Xi personally, and acts on behalf of the party rather than the state. The clear message is that Xi runs the party, and the party still rules over China.

Since 2013, over 200,000 officials and party members have been investigated, with 99 per cent found guilty of corruption.

Compare this to the few thousand that were brought down each year in the previous Hu Jintao era. Those caught in the present era include not just lowly officials, but heavyweights at the highest levels such as Zhou Yongkang, a former member of the all-powerful Politburo Standing Committee then head of China's fearsome security and law enforcement institutions. Hundreds of other senior officials, bureaucrats and executives from powerful state-owned enterprises have been targeted. As Xi promised, it has been a case of not only "swatting flies", but "killing tigers".

In walking this line, Xi has earned respect and resentment in equal measure, with the latter likely to be the stronger and lasting sentiment. In Chinese politics, enemies have longer memories than friends, even if the president's detractors are quiet for the moment. Xi's supporters say he is only trying to save the party, which is the first and highest duty of the secretary general of the CCP. After all, ordinary citizens and bloggers detested the corrupt activities of party members and officials under the previous administration. As the argument goes, reduce corruption and you enhance



President Xi Jinping's anti-corruption campaigns have been taken to a new level, earning respect and resentment. PHOTO: GETTY IMAGES

the standing and legitimacy of the party.

But it's not that simple. The country's political economy has been deliberately designed to ensure that party members and officials are the primary beneficiaries of economic growth and opportunity. From this century onwards, the party's strategy to remain in power is based largely on becoming the primary dispenser of commercial and career opportunity in the country.

This was a lesson learned from the countrywide riots in 1989, which almost unwound the authoritarian system. The key to remaining in power is to prevent the emergence of a genuinely independent middle and elite class that no longer views the party as necessary or relevant to its own advancement – something that was happening in the 1980s. In any rapidly industrialising society, it is the urban elites that decide the fate of authoritarian regimes. Co-opt and even create the elite class by making the authoritarian system work for them, and the future of CCP rule is much more assured.

The problem is that too successful or systematic an anti-corruption campaign undermines this whole political strategy. Business and political success are widely viewed as interchangeable. A large number

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of those entering politics, or just joining the party, do so on the expectation that they will benefit materially. This is the true social and political contract between the CCP and the country's elites. At the 2015 National's People's Congress last March, 203 legislators were ranked among the richest 1271 people in China with a combined net worth of \$660 billion, an amount equivalent to just under half of Australia's GDP.

Putting aside the mega-rich, well over 98 per cent of the senior management of state-owned companies are card-carrying party members in the country's state-dominated economy. More than 90 per cent of the approximately 85 million party members are business elites. This is no coincidence, since the point of party membership and offering one's loyalty is to access commercial benefits and opportunities that would not otherwise be available. It is no wonder that there is an estimated waiting list of 100 million people wanting to join.

In a model where political position or connection is more decisive than any other factor in determining material advancement, corruption is part and parcel of how things work within a political economy where land, capital and even labour is still controlled or supervised by the party, and for political purposes. Killing tigers and swatting flies might present as a morally attractive headline. But the relevance and popularity of the CCP depends on producing opportunities for millions of these same tigers and flies to enrich themselves. Otherwise, why would elites and wannabes care how China is ruled and by whom?

In short, Xi cannot truly clean up the system without undermining the authority of his beloved party. He can use the palpable fear he has generated to restrict ostentatious display of outrageous wealth, restrict capital flight and conveniently eliminate political opponents or keep them cowed at the same time. But in overseeing a possibly failing state-dominated economic model no longer capable of generating rapid economic growth, the president and his party have no good or easy options remaining.

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