

Hu Jintao and Wen Jiabao

The Principal Actors and Their Main Offices

Hu Jintao (1942 -)

General Secretary of the CCP (2002 – 2012); President of the PRC (2003 – 2013);
Chairman of the CMC (2004 - 2012)

Wen Jiabao (1942 -)

Premier of the PRC (2003 – 2013); Director of the General Office of the CCP (1986
– 1993)

CCP: Chinese Communist Party

PRC: People's Republic of China

CMC: Central Military Commission

Hu Jintao and Wen Jiabao worked closely as a team, and presided over a form of collective leadership, which stressed consultation, power sharing and consensus building with colleagues on the Standing Committee of the Politburo. The Hu-Wen leadership aimed to improve socio-economic inequality, particularly rural-urban inequality, and to tackle environmental degradation in a sustained and long-term approach. They proposed to adopt a “scientific developmental viewpoint” that put people at the centre, envisaging steady economic growth and societal development, while taking into account social justice and the environment.

1. Hu Jintao

1.1 *How Hu Rose to the Top*

Although Jiang Zemin became the CCP General Secretary at the time of the 1989 Tiananmen Square Incident, his leading position in the party was by no means secure until Deng Xiaoping confirmed it at the 14th Party Congress in 1992, after Deng became convinced of Jiang's unwavering commitment to the continuation of the reform and opening up policy. The gradual institutionalization of a retirement age for the CCP ruling elite appeared to oblige Jiang to step down in 2002 because he was well over 70 by then, and had been in office as the top leader for more than ten years. While securing Jiang's rule at the 14th Party Congress, Deng also lined up Hu Jintao as the heir-apparent to Jiang, rather than leaving Jiang free to choose his own successor. Hu's relative youthfulness – he was born in December 1942 – must have been an important consideration in Deng's choice, beside Hu's performance record and support for Deng's reform agenda.

How had Hu's political career evolved to enable him, from relative obscurity, to become the Fourth Generation core leader of China? Unlike Chiang Kai-shek who passed the leadership of Taiwan to his son, Mao Zedong and other founding leaders of the PRC were political revolutionaries, and as such they were opposed to traditional China's hereditary dynastic rule. Some sons of high Chinese officials attracted public attentions as "princelings", after they had become wealthy and/or politically prominent through their connections. Hu, the son of a relatively rich tea merchant, was not a "princeling". From the point of view of the "old school tie", he had the advantage of being a graduate of Tsinghua University, which educated generations of China's highest officials, particularly in science and engineering (Jiang Zemin was another example). Hu's degree in hydrology was helpful to his advancement when the regime was assembling a technocratic elite to lead China's modernization.

Apart from the generation of revolutionary leaders who fought in wars and founded the PRC, the subsequent generations of China's high officials normally had to work their way up from the ranks through job rotations, taking up various positions in different areas of China, which might or might not include stints of working in the centre of power in Beijing. In Hu's case, after Tsinghua, he was posted to an ethnic minority area in the poor province of Gansu in northwest China, where he worked as the party secretary of a local bureau of the hydroelectric ministry, beginning in 1969. From 1974 to 1975, he was appointed to serve as Chairman of the Gansu Construction Committee. During the ensuing years to 1982, he became first the Deputy Director of the Provincial Construction Committee, then the Vice Chairman of the same committee. Hu married Liu Yongqing, his girlfriend from Tsinghua, and had a son and a daughter during the long stint of working as a provincial official in Gansu.

During the early 1980s in Gansu, he was lucky to have attracted the notice of the provincial Party Secretary Song Ping, the most powerful official of that province, even more powerful than the governor. It was also fortuitous that Song's wife, Chen Shunyao, knew Hu as a student when she was the Deputy Party Secretary of Tsinghua University. Chen recommended Hu to Song, who became Hu's first mentor. Here we have an example of the Chinese version of the old school and personal ties (*guanxi*) in action. In 1982, Song returned to Beijing to become the head of the powerful State Planning Commission, and he had Hu transferred to work in the centre of power.

In Beijing, Hu Jintao caught the eye of the powerful Hu Yaobang, Deng Xiaoping's first chosen successor and the General Secretary responsible for spear-heading the reform and modernization in the 1980s. Because the Cultural Revolution had decimated the ranks of highly qualified officials, and also because most of those who survived to lead the country, like Deng Xiaoping and Chun Yun, were already over seventy, Hu Yaobang was mandated to seeking out talented and reform-minded young officials to prepare them for future leadership. (The two Hus were not related, though they shared a common surname.) The

forty-year-old Hu Jintao was appointed the Party Secretary of the Communist Youth League, a position that enabled him to build a power base by becoming a patron to a large number of younger officials at the start their careers. He was also admitted into the CCP Central Committee, where over 300 of the most powerful central, provincial, and military officials gathered to make decisions at the national level. This was a critical arena for Hu to network with the most important and influential officials, and to impress his peers and superiors.

After a spell in the centre, Hu was considered ready to assume the responsibility of provincial leadership. The rotation of posts between the centre and the provinces seems to have been the normal practice in the training of civil officials destined for leadership posts. In 1985, he was appointed the party secretary of Guizhou, a poor province with a large population of ethnic minorities in China's southwest. At 43, Hu was the youngest provincial party secretary in PRC history. Before long in June 1988, the party secretary of Tibet Autonomous Region (TAR) resigned because of altitude sickness, and the vacancy needed to be filled quickly because of tension in that region. Considering Hu Jintao long's experience of working in poverty-stricken provinces with large ethnic minorities, Zhao Ziyang, who took over the General Secretaryship of the party after Hu Yaobang was deposed for being too liberal, assigned Hu Jintao to that challenging post. He dutifully accepted this unenviable job of party secretary in a troubled region with a restless minority. During his four-year tenure there, he often had to retreat to Beijing to recover from high altitude sickness.

Before Hu's posting there, the Dalai Lama had tried to involve the U.S. and European governments to put pressure on the PRC government to negotiate with him, and settle the issue of the status of Tibet based on a plan he had proposed in 1987. The Chinese leaders saw this as an "internationalization of the Tibetan issue", which they considered strictly their internal affair. The Dalai Lama's plan looked to the Chinese like a ploy to split Tibet from China. The news of U. S. and European support for the Dalai Lama's proposals, broadcast by the Voice of America or the U.S. government funded Radio Free Asia, emboldened some monks to march in the centre of Lhasa to show their support. The local authorities arrested the monks

since they were challenging the regime. Their arrest led to rioting by more monks and their lay supporters in Lhasa during the autumn of 1987. Over a year later, the tension beneath the surface flared up again. In January 1989, the death of the Panchen Lama was followed by three months of street disorder in Lhasa.

This was the volatile situation Hu encountered when he took charge of the TAR. With no network, trusted assistants or ties to the military of that region, Hu found himself in a very trying position when a large anti-government demonstration broke out in Lhasa on March 5, 1989. He nevertheless rose to the challenge, and played apparently a skilful game of restraining the police during the day, and then withdrawing himself from the scene at night. When the situation became critical, the police resorted to firing into the crowd, killing many demonstrators and scattering the rest. On March 7, on Beijing's order, Hu took the unprecedented step of declaring martial law to maintain order in the TAR. (This created a precedent for Beijing to declare martial law in the capital prior to the June 4th Incident that same year.)

Since Hu had not ordered the firing, he need have attracted no blame for the violent police suppression, should anyone have wished to make an issue of it. On the contrary, he was credited with the prompt restoration of order in a difficult situation. Hu's astute handling of this crisis was applauded by the central government. Even more important to Hu's rapid ascent to the top was that he had attracted the notice of Deng Xiaoping. Apparently, Deng's high regard for Hu enabled the latter to be lined up as a successor to Jiang Zemin. Considering that Deng would not have chosen anyone who was not strongly supportive of his reform agenda, Hu must have given Deng reasons to believe that he was deeply committed to reform. Being groomed by the arch reformer Hu Yaobang as a future leader of China, could only mean that Hu Jintao was decidedly pro-reform.

Hu Jintao was also lucky that his mentor Song Ping happened to be in charge of the powerful Organization Department, which functioned as the personnel department of the CCP from 1987 to the 1990s. With Deng apparently favouring Hu as Jiang Zemin's successor, and with Song Ping's support, Hu became the head

of the pivotal CCP Secretariat, as well as a member of the Politburo Standing Committee (PSC), at the 14th Party Congress in November 1992. These two posts made the 53 year-old Hu one of the most powerful political figures in China. Also significant was his 1993 appointment to head the Party School, the highly influential think tank and training ground for promising officials.

Hu had played his hand well during the intervening years as a member of the collective leadership under Jiang. Knowing that Jiang relished his prominent position at the centre, Hu tried to stay out of the limelight, and offered no challenge to Jiang. When Jiang assigned positions of real power and substance to his favourite Zeng Qinghong, instead of to Hu, Hu accepted the situation. He not only steadfastly carried out Jiang's bidding, however unrewarding; he also tried to boost Jiang's ego by elevating Jiang's theory of Three Represents to the same level of significance as Mao's Thought and the Deng Xiaoping Theory. In addition to cultivating Jiang, whose support was essential for Hu to clinch the general secretaryship in 2002, Hu was skilful in avoiding making enemies of other powerful leaders.

Like Deng Xiaoping, Hu was a man not given to empty talk or showing off. He was known to be a good listener, who maintained a "democratic" work style, and showed deference to all his colleagues, even those well beneath him. Hu tended to work in a straightforward way, seeking solutions to problems through established channels, and was careful with details. He acquired a reputation for being an open, thoughtful, modest, patient, sincere, and sympathetic person. For these and other reasons he was widely accepted and liked by the upper party circles. They regarded him as "good at unifying comrades" (*shanyu tuanjie tonsgzhi*). They recognized his deep loyalty to the party. He was viewed as more of a "rule-keeper" than a "rule-bender", a guardian of the established order rather than a visionary

Hu's popularity and his not having made an enemy of any of his superiors, enabled him to be re-elected smoothly to the PSC at the 15th Party Congress in 1997. Short of Hu making a terrible blunder, Jiang had little choice but to proceed with confirming Hu as his heir. Jiang did so by making Hu a vice premier, an

executive government leadership post, in 1998; then, in 1999, Jiang made Hu a vice chairman of the Central Military Commission, the body that governs the PLA. These positions, in addition to the membership of the PSC, gave Hu the combined responsibility for the party, the government and the military, the three organizational pillars of the Chinese state, and together they constituted an important step in his preparation as the core of the fourth generation leaders. By 2000, it was almost certain that Hu Jintao was going to take over the leadership from Jiang at the Sixteenth Party Congress in 2002.

There had been much speculation as to whether Jiang Zemin was going to relinquish all the top leadership positions he held at the 16th Party Congress, and transfer them to Hu in November 2002. These were the general secretaryship of the party, the president of the state, and the chairman of the Central Military Commission. Because the 15th Party Congress in 1997 had informally adopted 70 as the retirement age for members of the PSC, five of the seven-member Politburo Standing Committee including Jiang Zemin, being all over seventy, were expected to retire at the 16th Party Congress in 2002. By the time of that Congress in November 2002, Jiang Zemin was the oldest at 76, while Li Ruihuan as the sixth would be 70 in two years' time. Since Li Ruihuan would not be able to complete his five-year term of office before reaching 70, he stepped down with the other five in 2002. The collective retirement of these powerful six individuals at the 16th Party Congress helped to institutionalize the practice of retiring China's top leaders at 70 or above. The 60 year old Hu Jintao was the only member of the PSC chosen at the 15th Party Congress eligible to become a candidate for membership of the new PSC. This also meant that Hu was the obvious choice to succeed Jiang as the General Secretary of the CCP at the 16th Party Congress in 2002.

After Hu succeeded Jiang formally as the leader of the fourth generation rulers of the PRC, it was uncertain whether Jiang was going to allow Hu a free hand to run the country. When Jiang himself became the core of the third generation leader in 1989, Deng Xiaoping held no office except the chairmanship of the CMC, a position he promptly transferred to Jiang, so as to enable his successor to develop a power base in the military. But even though Deng held no official position, Jiang found himself having to operate in Deng's shadow until the patriarchal figure's death in 1997. When Hu Jintao became the core of the fourth

generation of leaders in 2002 as the General Secretary of the CCP, Hu had to manage the affairs of China as if he were still under Jiang Zemin's tutelage. Jiang remained the President of China until March 15, 2003, when Hu was elected president by an overwhelming majority of the almost three thousand delegates at the NPC. Although a number of Jiang's colleagues thought Jiang should have yielded the chairmanship of the CMC to Hu in 2002, Jiang continued to hold on to this post., because some powerful generals, who would have had to retire if Jiang had stepped down, petitioned Jiang to stay. In 2003, Jiang continued to be chairman of the CME using Hu's "inexperience in military matters", and the need for someone to "keep control", as reasons.

Like Deng Xiaoping in retirement, Jiang retained an influential role in foreign affairs, taking part in policy-making and meeting foreign heads of state and other important visitors from abroad. In January 2004, Jiang even emulated Deng by conducting a "southern tour" of his own, visiting factories and farms for three weeks. Finally, in September 2004 Jiang resigned from being chairman of the CMC, and as expected Hu Jintao was elected by the party's Central Committee to that post. However, this did not mean that Jiang would cease to be a power to be reckoned with from that time onwards. In 2002, when Hu Jintao became the general secretary of the party, five of the seven-member Politburo Standing Committee, which later expanded to nine, were Jiang's protégés, or members of his Shanghai faction. Having already worked for over a decade under Jiang's tutelage, Hu seemed prepared to accept his flamboyant predecessor's only gradual withdrawal from power.

1.2 The Rise of Wen Jiabao

Hu was fortunate to have Wen Jiabao, the number 3 ranking member of the PSC, who was elected Premier in 2003, as his close ally and partner. Wen was also born in 1942 and, like Hu, was from a family of commoners without revolutionary credentials. Wen was also a well-educated technocrat, having first graduated from the famed Nankai High School that produced Zhou Enlai. Then he studied at the Beijing Institute of Geology, where he completed a post-graduate degree specializing in geomechanical engineering in 1968. Soon after, he was posted, like Hu, to the relatively desolate province of Gansu, where he worked

on mineralogical projects. Wen remained there for a decade, slowly climbing up the ranks of the provincial hierarchy. After his outstanding ability was noticed by the talent-spotting Gansu provincial General Secretary Song Ping, his career advanced rapidly, to become the deputy chief of the Gansu Provincial Geological Bureau. When the Minister Sun Daguang (of geology and mineral resources) came to conduct a ten-day field survey of Gansu's mineral resources in 1981, Wen accompanied him. Sun was so impressed by Wen's knowledge of the mineral resources of that province, and his vision of their management, that he arranged to have Wen transferred, with Song Ping's blessing, to his own ministry in Beijing, where Wen rose to become the vice minister.

In 1984, Wen was chosen from a list of outstanding candidates to be the deputy head of the powerful party General Office, the nerve centre that was responsible for managing the day-to-day operations of the party's top leaders. Shortly afterwards he was put in charge of this office, and remained in this post for eight years. Wen was unique in having served three general secretaries, Hu Yaobang, Zhao Ziyang, and Jiang Zemin, in this sensitive administrative role. It was a tribute to Wen's formidable bureaucratic skill that he had survived the highly-charged dismissal of Hu and Zhao, with his own career intact. He did so by taking responsibility for his own actions without being disloyal to either of his fallen bosses. In 1989, Wen eased the abrupt transfer of power from Zhao Ziyang to the Shanghai Mayor Jiang Zemin. Recognizing Wen's attributes of loyalty, high professional competence and administrative skill, together with his insider's knowledge of the dealings at government headquarters, Jiang decided to let Wen continue in this position.

Being highly impressed by Wen's performance, the tough reform-minded Premier Zhu Rongji became Wen's patron. At a critical juncture, when Wen's career advancement was blocked by Li Peng, Zhu first employed Wen as a deputy from 1993 to 1995, then at the 15th Party Congress in 1997 he helped Wen to become a vice-premier with a portfolio for rural affairs and the environment, which included agriculture, poverty relief, reforestation, and flood control, among others. Sharing with Zhu responsibility for development planning and finance, Wen was put in charge of many ministerial and cabinet level organizations. After acquiring extensive knowledge on rural affairs by going on an inspection tour of most

parts of the country, he assumed responsibility for drafting a ten-year plan to reduce rural poverty. He also became an expert on environmental protection and sustainable development. Having won Zhu's trust in mastering complex economic issues, Wen was asked to serve first as the secretary-general of the 'Central Financial and Economics Leading Group', and later as the head of the Central Financial Working Committee, created during the 1997-1998 Asian financial crisis. Like Zhu, Wen was strongly in favour of the reform of China's state enterprises, and the integration of China with the global economy. In an inner-party report evaluating Wen's leadership quality, Zhu described him as a "careful thinker" and a "clear speaker", who was "good at getting the big picture", and who "dared to take responsibility" and "move quickly". Wen appeared to Zhu as a quiet and calm person, not given to panic in battle. Zhu also thought of Wen as someone "good at uncovering problems and adjusting relationships". Wen managed the feat of maintaining good relations with everyone who mattered in the complex political manoeuvring of elite politics. Wen's wide-ranging experience and highly developed expertise in economy and finance, together with the strong recommendation of the out-going Premier Zhu Rongji, who told a Politburo meeting that Wen was the most capable person to succeed him, enabled Wen to become premier in 2003.

1.4 The Hu-Wen Partnership: Collective Leadership

The leadership transition from the third generation to the fourth, with Hu Jintao replacing Jiang Zemin and Wen Jiabao taking over from Zhu Rongji, occurred smoothly as expected, since the younger generation had been functioning for some time as understudies of the older one. This situation, as well as Jiang's determination to hold on to a share of power for another few years, provided a large measure of inter-generational continuity in the manner China was governed. Whereas Jiang Zemin, Zhu Rongji and Li Peng, the triumvirate that shared power and dominated the third generation leaders, had acted at times as rivals and competitors jockeying for power, Hu Jintao and Wen Jiabao, technocrats with similar personal characteristics, who were similarly discovered by talent scouts and groomed for top leadership, were able to work closely and smoothly as a team in a complementary way. The Hu-Wen regime stressed "Inner Party democracy", meaning greater consultation, power sharing and consensus building with their

colleagues in the Politburo Standing Committee and other governmental organizations. In other words, Hu and Wen were presiding over a “collective” (*jiti*) leadership.

The concept and practice of collective leadership, did not originate with Jiang and Hu. Reacting against Mao’s personal dictatorship and abuse of power, Deng Xiaoping willingly shared power with other revolutionary elders and subordinates, and his regime already exemplified a nascent collective leadership. From Jiang Zemin to Hu Jintao, the power sharing and the collective aspect of leadership had increased, because neither Jiang nor Hu had Deng’s prestige and influence other than to be *primus inter pares*. Besides the spread of inner-party democracy among the leaders at the centre, Deng’s reform and opening up led to power becoming more decentralized, with the provincial and local authorities having more sway over the development of the economy in their areas, as a centrally planned economy gave way more and more to an economy dominated by the market. This process of devolution of power did not stop at the local government level; it continued to spread to the managers of the State Owned Enterprises (SOEs). Because of the importance of the SOEs to the employment and prosperity of their localities, their managers could wield considerable financial and political clout. Governmental power became further diluted with the growth of private enterprises. Additional developments that empowered the Chinese public included the increase in the number of well-educated people, and the growth of users of the internet, and information sharing amongst them. As the Chinese public became more empowered, the Chinese society became more pluralistic.

Notwithstanding the above-mentioned devolution of power from the centre, the fourth generation of leaders of the CCP retained enormous authority to run China’s affairs, without the checks and balances of the U.S. type of democratic system. What did the mentors of these leaders expect them to safeguard and achieve? What were the policies and goals of the fourth generation of leaders, during their now limited ten-year tenure in power? Were they going to carry out fundamental changes, or strike out in a different direction from the third generation of leaders politically or economically? The answer was expected to be no.

Hu Jintao and his cohorts had inherited from their predecessors a fairly stable polity, with a prosperous economy. As custodians of the one-party state, they were unquestionably loyal to the party that nurtured them and, as such, they were expected to, and did indeed, make maintaining domestic stability and keeping the CCP in power their paramount concern. They were just as strongly committed to the policy of reform and opening up initiated by Deng as the third generation leaders had been. Consequently, rapid economic modernization and marketization was also a top priority, and the primary objective.

Two decades of rapid economic growth had turned China into a global power, when Hu Jintao assumed leadership. Having taking Deng's advice to heart, Jiang's approach to diplomacy enabled China to maintain a largely peaceful and friendly, though not entirely tension free, relationship with other nations, and it also helped to support China's flourishing global trade. Not having a vision of China's world role or much experience in foreign affairs, the Hu-Wen administration continued to work within the guidelines and framework of diplomatic relations established by their predecessors. Being cautious and conservative, Hu did not venture to project China's new-found power, especially hard power, internationally. The 2008 Olympics in Beijing, and the worldwide Confucius Institutes, were his major endeavours to project China's soft power.

2.Challenging Events and Issues under the Hu-Wen Leadership

2.1 *The Severe Acute Respiratory Syndrome (SARS)*

Just around the time of the Chinese leadership transition during the 16th National Party Congress in November 2002, a public health crisis broke out in China. The culprit was a kind of coronavirus (SARS-COV) that scientists believed might have mutated from an animal virus into a virulent strain deadly to

humans. The SARS virus attacked a person's lungs, giving rise to a severe respiratory disease, starting with flu-like symptoms such as coughs, aches, and fever, that rapidly progressed to pneumonia, if not death. The disease was highly contagious after the symptoms appeared. It could spread quickly to people who breathed in the air contaminated by those who had the illness. After the first case of SARS was identified in Guangdong in November 2002, the alarming new disease spread quickly to nearby Hong Kong, and to Beijing and other parts of China. Within weeks, air travellers infected with SARS from Hong Kong brought the disease to many countries all over the world.

While officials in China took actions to control this disease locally, they did not seem to want the world to know about the SARS outbreak in China. In any case, they failed to inform the World Health Organization about it in a timely way. Despite the continuing spread of the disease, Chinese state media suppressed or played down the threat of a SARS epidemic. On April 3, 2003, the Minister of Health Zhang Wenkang went so far as to give a press conference in Beijing, assuring people that SARS was not a public health risk, as there were only a handful of cases of SARS in China. The Chinese public was by no means assured. There was crisis in the air, and people went about in the capital anxiously wearing face masks. During the same month, Jiang Yanyong, a senior doctor, had the courage to issue a public statement asserting that his hospital in Beijing alone admitted considerably more patients with SARS than the figure given by Minister Zhang. Dr. Jiang's statement caught the attention of international media.

Before the Chinese authorities were ready to tackle SARS as a public health crisis, global health authorities, including the World Health Organization (WHO), had become alarmed by the severity of the disease and the infection of hospital staff of many nations. By mid-March 2003, the WHO had issued a global alert, confirming the existence of SARS in various countries with guidelines on its containment. International and domestic pressure finally led the Hu-Wen administration to change their stance, and work with the WHO. On April 17 Hu ordered the authorities to tell the truth. Hu and Wen both promised to punish any

official who misled the public. On April 20, a Ministry of Health spokesman admitted that the cases of SARS in Beijing numbered 346, far higher than the 37 as originally stated. Soon afterwards, both Minister Zhang and Mayor Meng Xuenong of Beijing were sacked, taking the rap for the earlier mistaken decision to cover up the outbreak. The administration then moved into high gear to contain SARS.

From April 21, there was a vast mobilization of people and resources, and the introduction of many proactive measures to stop the spread of SARS; the subject monopolized news and conversation. Orders for quarantine went out; in many metropolitan areas entertainment venues were shut, office and factory workers were told to stay home; colleges and schools were closed with students advised to learn at home using the internet; people stockpiled groceries and confined themselves to their homes; travellers flying in and out of Beijing were screened. After a peak in June, the WHO lifted China from the list of infected areas. From the figures in the summary of probable SARS cases from November 1, 2002 to July 31, 2003, the onset and the terminal dates respectively of the probable SARS cases in the world, China, together with Hong Kong and Macao, accounted for 7,083 cases out of a total of 8,096 cases globally, with 774 reported deaths.

Had Hu Jintao and his colleagues faced up to the new deadly infectious disease squarely at the beginning of the outbreak, by informing and cooperating with the WHO and other nations' public health authorities, many cases of Chinese and worldwide suffering and deaths from SARS might have been avoided. Their initial mishandling of the disease's outbreak drew international criticisms. Their misleading statements could only have served to increase the Chinese public's skepticism of the regime's official pronouncements.

This episode seemed to have taught the Chinese government a lesson on the harmful effects of overly tight control of the media. And it led to subsequent greater openness on news reporting. In May 2003, the media reported the bad news of mechanical failure of a Chinese naval submarine that killed all 72 seamen on

board, together with the news of CMC Chairman Jiang Zemin's condolences to the families of the dead crew members. Later, Chinese Central Television (CCTV) started to show uncensored news of the U.S. war effort against Iraq, carrying live footage and real-time feed from CCN and Fox News, and providing translation for the viewers. The Xinhua News Agency also started to carry timely news from Iraq, from the battlefield, and segments on the brutal regime under Saddam Hussein. These were signs of a new openness in the media related to a relaxation of government control.

2.2 Inequality and unbalanced development

Two decades plus of rapid development from a planned economy to a “socialist market economy with Chinese characteristics” revealed sharp regional imbalances in development, and accentuated socio-economic inequality, widening especially the rural-urban disparity in income and social welfare provisions. Deng Xiaoping had foreseen that his marketization policy would lead to some people, and certain favourably located areas in China, getting rich first, and he exhorted the Chinese, who had been steered towards creating a Communist-led egalitarian society under his Marxist revolutionary predecessor, Mao Zedong, to accept this situation. So from the start of the transition to a market economy, Chinese reformers did not shrink from giving the more advantageously located eastern and southern coastal provinces priority in global trade and foreign direct investments. However, it was not Deng's intention to perpetuate unbalanced development. In his thinking, the persons or regions which benefited from the earlier waves of wealth creation should serve as models to others, and they should also contribute to lifting poor people out of poverty, and regions out of underdevelopment.

Certainly, this policy did lead to some people amassing great wealth. It also enabled the eastern seaboard provinces to become prosperous, while the interior ones in central and western China remained poor and underdeveloped by comparison. As the reform progressed, China went from a society that had a high degree

of equality in income and wealth, to one that became highly unequal. Besides these newly emerged inequalities, the old rural-urban inequality had not only continued to exist, it had become worse.

The leaders of China recognized that pronounced economic inequality which continued to widen was a recipe for tension between the haves and have-nots, besides raising the question of legitimacy of the socialist system. Although Hu's predecessors were concerned with the rising inequality, and implemented programs to help both the urban and rural poor, it was the Hu-Wen administration that strove to make a radical change on the approach to development, and aimed to address the problem of inequality in a fundamental way. Environmental damage was another serious issue that Jiang Zemin and Zhu Rongji had dealt with through periodic campaigns, but the Hu-Wen leadership stressed a steady, long-term and sustainable approach to restore and maintain environmental health.

Hu Jintao and Wen Jiabao put forward their ideas on reshaping China's socio-economic development in the 11th Five Year Plan, which covered the years from 2006 to 2011, and in Hu Jintao's report at the 17th National Congress of the CCP in 2007, to address the inequality as well as the damage to China's environment. The change they conceived would continue to be based on China as a rapidly growing market economy in a globalized environment, driven by accelerating technological and other innovations. Wen Jiabao also brought out this point in his article: *Gonggu shuli he renzheng luoshi kexue fazhang guan* (Firmly establish and seriously realize the scientific developmental viewpoint). While not turning back on growth, they wanted to redirect its trajectory towards some other areas, rather than focusing mainly on building infrastructure and export-oriented industries. Apparently, such a change of direction was based broadly on the desire of Chinese people in general, because the 11th Five Year Plan was drawn up after the Hu-Wen collective leadership had consulted a wide range of organizations representing the interests of different groups, as well as independent experts who combined economic skill with public influence, over a period of many months. In order to achieve this redirection, they proposed to adopt a "scientific

developmental viewpoint” (*kexue fazhan guan*) that put people first, or at the centre (*yiren weiben*). This was not a mere slogan. It was a guiding principle for future development that called for the establishment of a broadly based, well-coordinated, and sustainable process of steady economic growth and societal development, that took into account social justice and comprehensive human wellbeing, while paying serious attention to China’s ecology.

Between 2003 and 2006, the administration phased out agricultural tax and most other fees, freeing farmers from burdensome tax and fees in most areas. Programs were established to support grain production through subsidies. Attempts were made to rejuvenate the rural credit cooperatives to make it less difficult for peasants to raise capital. A new rural cooperative health insurance system was set up, together with a program to provide subsidies for health expenses of the poor. In 2007, approximately 9.2 million out of some 100 million elderly rural residents received regular pensions in China, where pensionable age was between 55 to 60 for women, and between 60 to 65 for men. In 2009, the Hu-Wen administration rolled out a more ambitious new rural social pension program that was intended to cover 10% of pensionable rural residents at 2009, 50% by 2012 and 100% by 2020. While Hu’s predecessors kept on lowering the rural poverty line - the per capita income below which the poorest rural residents were entitled to state assistance – his regime raised it from 627 yuan per person in 2002 to 637 yuan in 2003. The average rural per capita subsistence allowance reached 693 yuan in 2006, and 840 yuan in 2008. Hu stated in his 17th Party Congress report that through constant strengthening of policies to support and benefit agriculture, rural areas and farmers, “efforts to build a socialist countryside yielded solid results.” His regime’s policy did reduce to some extent the rural-urban income disparity for a number of years.

Besides poverty and rural-urban socio-economic disparity, the 11th Five Year Plan also took up the issue of protecting farmers’ land rights against expropriation by local officials. Individual farming households were given the right to use the land allocated to them to grow crops and raise livestock for their living, and to provide taxes to the government. Their new approach to development stressed steadiness and sustainability, and coordination in the process of development, rather than a headlong rush to increase the GDP. It aimed

to spread the fruits of economic growth more broadly to benefit disadvantaged groups and people in less developed regions, so as to reduce social tension and disharmony. Building a “harmonious socialist society” was their oft-stated goal for China. For the sake of achieving this goal, the Hu-Wen administration planned to give priority to education, employment, social security, health care, and poverty reduction, as well as environmental protection. On the subject of increasing Chinese people’s standard of living, they planned to double the per capita GDP in 2000 by 2010. It was their aim that by 2020, the people of China as a whole would reach a higher level of moderate prosperity.

To include environmental protection as a part of their vision of a harmonious society seemed a natural extension, because only an “environment-friendly society” could realize an overall situation of harmony among human beings, and between humanity and nature. They proposed a key concept of “scientific development” as the guiding principle for China to achieve the goal of building a harmonious socialist society. Scientific development meant more equitable distribution of the benefits of economic growth, improving human resources, fostering technological creativity, cutting down consumption of energy and waste of precious natural resources, including water, encouraging recycling, rationalizing urbanization, and controlling pollution and environmental degradation more aggressively. The overall objective was to achieve steady, sustainable, and coordinated long-term economic growth and social development in China.

2.3 Rural-Urban Inequality

Rural-urban inequality was the single largest component of overall inequality in Chinese society. With the exception of the early years of the reform and opening up under General Secretary Zhao Ziyang, when China’s rural economy developed rapidly with introduction of the Rural Household Responsibility System (RHRS) and the Town and Village Enterprises (TVEs), China’s peasant farmers had a relatively poor deal under the Communist regime which, after all, owed its establishment to their support. The policy that favoured urban dwellers started with Mao, and the *hukou* registration system that fixed a person’s place of origin as immutable made farmers into second-class citizens. The top-down pro-urban approach to economic development pursued by their immediate predecessors had widened the income gap between

urban and rural inhabitants. For example, the urban per capita disposable income was 2.20 times the rural figure in 1990; in 2004 it was 3.21 times the rural one. China's industrialization had placed a disproportionate burden on the shoulders of the farmers and migrant workers, who were mostly farmers by origin, without commensurate returns. Since both Hu Jintao and Wen Jiabao had each spent many years working in poor provinces in China's interior, they were deeply aware of rural poverty, and the economic disparity between the city and country dwellers, and this was an issue they wanted to address as a matter of priority.

Under the Hu-Wen collective leadership, a number of measures were introduced to put more back into rural areas and to extract less, with the objective of improving the lot of the rural population. In 2003, the government eliminated education surcharges. In 2005, it issued free textbooks to children from poor families. Not being owners of the land they farmed, farmers were effectively deprived of the right to sell the land assigned to them. The state however had the right to expropriate agricultural land for public interest, without stating what exactly constituted public interest. When collective farming ended with the dissolution of the commune system at the onset of Deng's reform, farming households either continued to use the land allocated to them for agriculture, or leased their land to others to pursue other occupations, particularly private businesses. From that point in time, local officials began to treat the communally owned land as state property. As China's growing economy led to increasing urbanization, it became all too common for local officials to take advantage of the farmers' lack of legal land ownership to expropriate the land allocated to them, without proper compensation, for commercial development purposes that profited the local governments, and often the officials personally. According to a Chinese official estimate, around 2 million rural residents lost their land each year. In recent years revenue from expropriated land has constituted 27 percent of the total local government's annual budget. Clearly there was a very strong incentive for local governments to continue this abusive practice.

For many years this kind of "land grabbing" had become a major source of social unrest, leading to a large number of protest movements in many places. It was not enough for leaders of China's central government

to acknowledge the need to protect farmers' land rights, and to enable them to leave agriculture altogether by selling or leasing their land. They needed to define clearly what constituted "public interest", so as to protect farmers' land from being seized by local government for commercial development. They also needed to lay down rules for determination of fairer compensations, or equitable prices, to enable farmers to give up their land-use rights and move to urban areas to pursue non-agricultural livelihoods.

As the trend of urbanization continued in China, an increasingly smaller percentage of Chinese people were expected to live in the countryside to engage in agriculture. This had been the historical population trend in the developed countries. The Chinese population has also been following this trend. Over 80% of Chinese people lived in rural China in 1978 at the start of Deng's reform and opening up; by 2002 the figure had decreased to a little over 60%. The 2010 Chinese census showed that China's rural dwellers had dwindled to roughly 50%, and the decline has continued to the present, according to World Bank data on global urban population growth.

During the 1980s and 1990s, rural migrant workers were denied local *hukou*, and suffered discrimination because they were considered temporary residents by the host cities. By the early 2000s, China had a central leadership that recognized urbanization as a permanent aspect of modernization, and promoted social harmony and fairness as a social goal of development, along with economic growth. Hence the Hu-Wen administration acknowledged the need to reform the *hukou* system in the direction of regularizing the status of former rural residents in the cities where they chose to live and work, so as to enable them and their children to enjoy the benefits to which the officially designated urbanites were entitled. From 2003 the State Council put forward policies that required the host cities to give rural migrants equal political rights, and to remove their employment restrictions, in addition to strengthening their labour rights, such as minimum wage, working hours, delayed wage payment, work safety and so on. The host cities were also required to provide 9 years of compulsory education to the migrants' children. The central government expected the host cities to grant gradually and incrementally local *hukou* to migrant workers in their midst. It was more successful in persuading poorer small cities in central and west China to do so, than the medium to large

cities in the rich provinces along China's eastern seaboard, where most migrants workers were concentrated. The high cost of providing health insurance, pensions, employment and education to millions of rural migrant workers and their family members remained a major obstacle for the local city governments to carry out even incremental reform of the *hukou* system in any significant way. From the mid-2000s, some big cities had responded to the central government's call by granting local *hukou* to a few hundred to a few thousand rural migrants - out of, say, a total of one to several millions - who were "labour models" or "advance workers", or entrepreneurs able to invest in, or purchase a commercial property. Like closing the socioeconomic disparity between rural and urban dwellers, the equalization of the treatment of migrant workers of rural origin, and citizens of China's cities, promises to be a long haul.

2.4 The Politics of Anti-Corruption

The fight against corruption seems to be a war of attrition each generation of China's central leaders has to wage. Without being able to root out the widespread practice, the party's central leadership often targeted a few glaringly corrupt officials to make an example of them. In 2006, the Shanghai Party Secretary Chen Liangyu was purged, along with some officials who served under him, for misappropriation of pension funds from the Shanghai Social Security Agency, to the tune of 32.9 billion yuan (US\$ 4.2 billion). More than urban construction, infrastructure building, or even national defence, public pensions were the biggest single item of China's government expenditure. As the top official of a city in a period of explosive growth, Chan also had other huge financial and investment opportunities as his disposal.

From 2002 to 2006 under Chen's stewardship Shanghai was undergoing a period of frenetic urban real estate and infrastructure construction. Among the megaprojects associated with Chen were the Shanghai World Financial Centre, the Yangshan Deepwater Port, the Shanghai Chemical Industrial Zone, the Shanghai Metro, the Lu Pu Bridge, and the Maglev railway line that connected the 50 kilometres from the city centre to the Pudong Airport by trains running at up to 430 kilometres per hour. He presided over the

bid for a number of construction projects to win the right to host the 2010 Shanghai World Expo. Having control over these projects gave Chen enormous opportunities to enrich his allies and relatives, which he did. One of the crimes he was accused of was misuse of official power.

To Chen's credit, from the time he served as mayor of Shanghai between 2001 and 2003, to the time of his disgrace in 2006, he did a great deal to transform Shanghai into a modern economic giant. Under his leadership, Shanghai's average annual growth rate maintained around 13% per annum. The volume of its imports and exports increased by over 30% annually on average, to over US\$ 400 billion per year. More than 50 million tons of cargo went in and out of the port of Shanghai per year. He improved transportation, employment opportunities, and social security programmes for Shanghai residents, provided housing for the city's poor, invested in the city's education system, pioneered a local recycling economy, and strengthened environmental protection for the metropolis.

The highly capable and fiercely ambitious Chen was a prominent member of Jiang Zemin's Shanghai faction. In order to strengthen his power base in Shanghai before being succeeded by Hu Jintao, Jiang Zemin promoted Chen to the position of mayor of Shanghai during the 16th Party Congress in late in 2002. After taking over the even more powerful position of the party secretary of Shanghai, which entitled him to become a member of the Politburo, Chen pursued single-mindedly the "Shanghai model" of development strategy favoured by Jiang Zemin and Zhu Rongji. This approach came into conflict with the Hu-Wen policy that favoured more balanced development between China's poor regions and the more richly endowed ones. It was significant that Chen was dismissed in 2006, before the 17th Party Congress in 2007, when important changes in the personnel of the Standing Committee were to take place. With Jiang's support, Chen's accomplishments in Shanghai might well have earned him promotion from the Politburo to its Standing Committee in 2007. But after nearly 5 years at the top, Hu was expected to have developed a sufficiently strong power base to replace some members of the Shanghai clique in the Politburo Standing Committee, during the 17th Party Congress, by those loyal to him and supportive of his policy goals. Hu

obviously could muster sufficient evidence to support charges of corruption against Chen so as to make it impossible for Jiang to defend his former protégé. Chen could not have been the only high-ranking corrupt official during this time in China. His fall and the timing of it appeared to have also been connected with the Hu-Wen leadership's struggle to diminish the power of Jiang Zemin and his Shanghai clique.

2.5 The 17th Party Congress and Beyond

The most important item of business of the regular five yearly CCP congress was the election of the members of the Politburo Standing Committee (PSC) that governed China. As we have seen, at the 16th Party Congress in November 2002, six of the seven-member PSC elected at the 15th Party Congress in September 1997 went into retirement, while the seventh, who was Hu Jintao, was re-elected at the 16th Party Congress, along with eight others newly elected to form an enlarged nine-member PSC in 2002. Even though Jiang Zemin retired in 2002, a majority of the newly elected PSC members serving under Hu's leadership, apart from Wen Jiabao, belonged to Jiang's Shanghai faction. Hu waited patiently until the 17th Party Congress in October 2007 to ensure that some of his own protégés were elected to fill the slots vacated by Jiang's men in the PSC. The most notable newcomers to the PSC were Xi Jinping (born in 1953) and Li Keqiang (born in 1955). Both Xi and Li had been members of the Communist Youth Leagues once headed by Hu, and both were sufficiently young to succeed Hu as the fifth generation rulers of the PRC in the 18th Party Congress in 2012.

By 2007, Hu appeared to have fully emerged from Jiang's tutelage, and was introducing new ideas to address the challenges facing China. The Hu-Wen administration's 11th Five-Year Plan suggested a "revolutionary shift", in the words of economist Barry Naughton, in China's development strategy onto a more "steady" and "sustainable" course, in order to repair China's damaged environment and to address the growing socioeconomic inequality among its people.

2.6 Natural disasters

Like the disastrous SARS outbreak that troubled the Hu-Wen leadership at the start of their first term in power, challenges and disasters came thick and fast soon after the 17th Party Congress, which marked the beginning of their assured return to power for another five-year term in November 2007. In late January 2008, exceedingly severe snowstorms during the Chinese New Year holiday period in late January 2008 left millions of migrant workers stranded on railway stations as they struggled to return to their native villages. Since keeping public transport running smoothly was a government responsibility, officials had to accept the blame. Wen Jiabao made an unprecedented gesture of apologising to the inconvenienced and disgruntled travellers. Later, in May, an earthquake measuring 7.9 on the Richter Scale devastated Wenchuan in Sichuan province, killing 87,000 people and destroying the homes of millions. Because of substandard school buildings, thousands of quake victims were school children. Besides massive domestic efforts in support of the quake casualties, dozens of foreign countries responded to China's request for help.

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