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Discussions, Debate, Drama at Beidaihe

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Leaked U.S. government cables give some color to the power struggles and debates that may play out amongst Chinese Communist Party elites at Beidaihe this year, as they gear up for China's 2012 leadership transition.

By Lea Yu

Discussions, Debate, Drama at Beidaihe

Beidaihe District in Hebei Province, where Communist Party officials meet annually to push their agendas.

Caixin recently published a story about the Chinese government going out of its way to promise that the 800 million yuan it has earmarked for coastal restoration in Beidaihe would not be used for things like government vehicles or buildings, or go to individuals in the form of "management fees."

It's unsurprising that the government is being so circumspect in explaining where the Beidaihe funds will go, as the Northeastern district has always epitomized elite government power, exclusivity and luxury. Ever since Communist Party leaders started meeting at the beach town in 1953 to craft policy, Beidaihe has been an important place for retired party cadres to continue to exert influence on government affairs, long after they may no longer participate in official, formal meetings.

And so, when President Hu Jintao decided to cancel the annual summer Party gatherings at Beidaihe in 2003, state media trumpeted the decision as a sign that Hu was leading China in a more practical and frugal direction. But many analysts also smelled another connotation: Hu was trying to signal a break from the older generation of party cadres led by his predecessor Jiang Zemin.

But the ban wasn't a complete ban, most clearly evidenced by the fact that in the weeks after the controversial July 23 Wenzhou train crash happened last year, many Politburo Standing Committee leaders were noticeably absent from their offices. In fact, they were at Beidaihe, deliberating China's leadership transition in 2012 after the 18th Party Congress.

In the process of trying to understand how frequently President Hu has visited Beidaihe, in spite of his rejection of the site, we came across a cache of U.S. embassy dispatches from the Wikileaks database concerning China's 2007 Beidaihe discussions.

With the 2012 leadership transition on the horizon, the cables also hint at the possible debates, conflicts and power struggles that China's political elite will be dealing with this coming summer.

[The Brookings Institution's Cheng Li has published a clear overview about the upcoming leadership transition in the Winter 2012 edition of *The Washington Quarterly*, complete with two charts spelling out the backgrounds and priorities of China's political elite]



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Table 1: Factional Identities of the Leading Candidates for the Next Politburo Standing Committee

Elitist Coalition				Populist Coalition			
Name	Birth Year	Current Position	Factional Background	Name	Birth Year	Current Position	Factional Background
Xi Jinping	1953	Member of PSC, CMC Vice Chair, PRC Vice President	Princeling	Li Keqiang	1955	Member of PSC, Executive Vice Premier	Tuandai
Wang Qishan	1948	Politburo Member, Vice Premier	Princeling	Li Yuanchao	1950	Politburo Member, CCP Organization Dept. Head	Tuandai, (Princeling)
Zhang Dejiang	1946	Politburo Member, Vice Premier	Princeling	Liu Yuanshan	1947	Politburo Member, CCP Propaganda Dept. Head	Tuandai
Yu Zhengsheng	1945	Politburo Member, Shanghai Party Chief	Princeling	Liu Yandong	1945	Politburo Member, State Councilor	Tuandai, (Princeling)
Bo Xilai	1949	Politburo Member, Chongqing Party Chief	Princeling	Wang Yang	1955	Politburo Member, Guangxi Party Chief	Tuandai
Zhang Gaoli	1946	Politburo Member, Tianjin Party Chief	Jiang Zemin's protégé	Ling Jihua	1956	Member of Secretariat, CCP General Office Head	Tuandai
Meng Jianzhu	1947	State Councilor, Minister of Public Security	Shanghai Gang	Hu Chunhua	1963	Inner Mongolia Party Chief	Tuandai

Notes: CCP = Chinese Communist Party; CMC = Central Military Commission; PRC = People's Republic of China; PSC = Politburo Standing Committee.

Table 1: Factional Identities of the Leading Candidates for the Next Politburo Standing Committee (From Cheng Li, "The Battle for China's Top Nine Leadership Posts," *The Washington Quarterly*, Winter 2012")

Table 2: Policy Priorities and Preferences of the Leading PSC Candidates

Elitist Coalition		Populist Coalition	
Name	Policy Priorities and Preferences	Name	Policy Priorities and Preferences
Xi Jinping	Development of the private sector, market liberalization in foreign investment, and Shanghai's role as financial and shipping center	Li Keqiang	Development of affordable housing, program of basic health care and social welfare, and promotion of clean energy
Wang Qishan	Liberalization of China's financial system, high-rate GDP growth, and tax-revenue reforms in central-local governments	Li Yuanchao	Political reforms (esp. intra-Party democracy), tougher measures to deal with corruption, promotion of foreign-educated returnees
Zhang Dejiang	Development of state-owned enterprises, promotion of "China's Go Global Strategy," and indigenous innovation	Liu Yuanshan	More effective control over media and the internet, and promotion of China's soft power overseas
Yu Zhengsheng	Promotion of the private sector and urban development, high-rate GDP growth, legal development, and rule of law	Liu Yandong	Greater political participation of interest groups and NGOs in political process, and promotion of China's cultural exchanges overseas
Bo Xilai	Rapid urbanization, radical measures to reduce economic disparities, open political competition, and ultra-nationalism in foreign policy	Wang Yang	Change of economic growth mode, promotion of intra-party democracy, media transparency, and bolder political reforms
Zhang Gaoli	Market liberalization in foreign investment, economic efficiency, and high-rate GDP growth	Ling Jihua	Continuity of Hu Jintao's socio-economic policies
Meng Jianzhu	Sociopolitical stability, and promotion of Shanghai's role as the dual global center of finance and shipping	Hu Chunhua	Promotion of social justice and economic equality, government accountability, and tougher measures to deal with corruption

Table 2: Policy Priorities and Preferences of the Leading PSC Candidates (From Cheng Li, "The Battle for China's Top Nine Leadership Posts," *The Washington Quarterly*, Winter 2012")

SUBJECT: HU JINTAO ATTENDING BEIDAIHE MEETINGS TO DISCUSS LEADERSHIP ISSUES. CONTACTS SAY (CABLE 07BEIJING5139)

From the American embassy in Beijing to the Secretary of State, August 7, 2007.

Hu's Beidaihe Visits a "Secret"

Commenting on Hu Jintao's cancellation of the Beidaihe meetings since 2003 as a way of conveying a more open, pragmatic style of leadership (Refs C-E), Yu [Jiafu, recently retired Senior Editor and Director General of Foreign Affairs at Xinhua] said his understanding was that this would be at least the second year after 2003 that Hu would "quietly" attend meetings at Beidaihe. Yu thought the prior "cancellation" of the meetings referred only to ending the previous practice of moving large portions of the Party and Government to Beidaihe for the summer, as had been done under Hu's predecessors, whereas Hu's attendance was solely for the purpose of attending meetings on personnel issues. Whatever the case, any travel by Hu to Beidaihe would likely remain a "secret," and Party propaganda organs would do their utmost to prevent his travel from becoming public, Yu speculated.

SUBJECT: MORE DETAILS ON BEIDAIHE MEETINGS (07SHANGHAI549)

From the American consulate in Shanghai to the Secretary of State, August 7, 2007.

"During an August 27 discussion, Nanjing University Professor Gu Su discussed rumors he had heard from his contacts in Beijing concerning the ongoing leadership meetings at Beidaihe"

"Factional Divides and Overlaps"

Gu further expanded on his multi-faction personnel fight theme, noting that there were at least three main factions vying for key slots, including the Communist Youth League (CYL), the bureaucratic (guanliao), and Shanghai factions. Of these, Gu assessed that the Shanghai faction was playing a smaller and smaller role, especially since the arrest of former Shanghai Party Secretary, Politburo member, and Jiang loyalist Chen Liangyu on corruption charges, and the death of Jiang ally Huang Ju. The CYL faction was largely comprised of people who had spent their careers inside China's party apparatus, whereas the bureaucratic faction consisted of people who had mainly served in government positions. Their differences stemmed largely from their approach to problem solving, with the CYL faction more focused on using ideology and the bureaucratic group focused on using procedure to implement change.

This divide was similar to that which existed in early reform era, between Hu Yaobang and Zhao Ziyang. Gu explained that there were also other factional groupings; factional divides were not always clear-cut. People in one group could also be categorized as members of another group, complicating the personnel selection process. For instance, the princeling faction cut across other factional lines and included people from the Communist Youth League faction, the bureaucratic faction, and the Shanghai faction.

"Hu's passivity"

Gu assessed the current leadership situation as "more unstable than it has been in years." He blamed this primarily on Hu's failure to establish his independent leadership earlier on in his term. Hu had continued to consult Jiang on many issues even after Jiang's full retirement, perpetuating a tradition of quasi-subservience that had enabled Jiang to retain some influence. Jiang's influence, in other words was not necessarily based on his strength, but rather on Hu's passivity, relative weakness, and failure to make necessary changes earlier on. As a result, the various factions all had a stronger voice than they had had in the run-up to previous party congresses.

Wen's 'long tail'

Gu noted that Hu's family was apparently free from rumors of corruption, making him relatively impervious to retaliatory investigations. Premier Wen's family—particularly his two children—on the other hand, was involved in many questionable dealings. Gu noted that this familial corruption—which Gu referred to as Wen's "long tail"—left Wen more vulnerable to attack. Wen had recently been complaining about criticism he had faced from party leftists that mingled both criticism of his policies with criticism of his family.

Leftists Decreasing in Influence

Although they still remained a voice within the party, Gu noted that leftists were decreasing in influence. Gu said there was still an "old-school" leftist faction—most of whom were in their 80s or older—who advocated bringing the party back to its policy glory days of the 1960s. However, Hu had recently shut down this group's website titled "Red Flag and Mao Zedong Thought." "Neo-leftists," too, were diminishing in influence, thanks in part to people like Wu Bing, the Chief Editor of "Du Shu" magazine. Wu was the niece of Wu Zuguang, a famous playwright who was purged as a rightist in the 1950s for criticizing Communism. Under Tsinghua academic Wang Hui's editorship "Du Shu" had promoted "new-leftist" views, but more recently its readership had dropped by more than half, and the publisher had brought in Wu to try to "fix" the problems with the publication.

SUBJECT: BEIDAIHE ENDS WITHOUT RESOLUTION (07SHANGHAI508)

From the American consulate in Shanghai to the Secretary of State, August 7, 2007.

Shrinking the Politburo Standing Committee

Gu said that his contacts had told him that the Politburo Standing Committee (PBSC) would probably shrink, noting that Hu preferred a seven person PBSC. The smaller PBSC, Hu believed, was easier to control.

[editor's note: the PBSC did not actually shrink from nine to seven members]

"Damning Wen With Faint Praise" [original dispatch section title]

Another decision that had been "reached" at the Work Conference was that Wen Jiabao would remain as Premier. Wen had been coming under heavy criticism from the Shanghai faction and there was talk that he would be stepping down at the Party Congress. However, Hu argued that the leadership needed Wen to stay on board at the present time. China was facing serious economic problems, such as inflation, and major environmental problems and the nation needed a steady hand. Besides, Hu argued, there was no one currently who was qualified to replace Wen. Despite Hu's apparent support for Wen, however, Gu noted that there was more tension between Wen and Hu than had appeared earlier in their term. Wen was unhappy with Hu's constant meddling in government affairs.

Former Chinese President Jiang Zemin criticized. "You've been retired now for five years!"

According to Gu, Party elder and Jiang critic Li Ruihuan was chairing the meeting and fellow party elder and Jiang critic Qiao Shi was the main speaker. Qiao tore into Jiang, accusing him of meddling in personnel decisions and exceeding his authority for submitting his suggested PBSC name list. Qiao upbraided Jiang at one point saying "You've been retired now for five years! How can you presume to be trying to arrange the new Politburo Standing Committee?" Qiao accused Jiang of having "broken the rules" at the 16th Party Congress by expanding the PBSC and packing so many of his supporters onto the Politburo, particularly so many--such as Huang Ju and Chen Liangyu--who had such serious problems. Qiao firmly stated "We cannot allow you to do this again!" Later, Qiao also reprimanded Jiang for having broken protocol and brought his wife to Huang Ju's funeral, noting that none of the other leaders had brought their wives. Qiao asked "What were you doing? Were you trying to show your intimacy with Huang's family?" Jiang reportedly left the meetings severely chastened and unhappy.

Towards the end of the dispatch: "As our contact notes, the situation is more complicated than a simple "two-line struggle."

Lea Yu writes and edits for Caixin. Follow her on Twitter @leayu.

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