

**STATE AND SOCIETY IN URBAN CHINA
IN THE WAKE OF THE 16TH PARTY CONGRESS**

Dorothy J. Solinger
University of California, Irvine
May 2003
dorjsoli@uci.edu

Introduction: The Urban Scene in Late 2002

As China's top leadership elite congregated in session to put forward a new Party line for the coming five years and to unveil an altered line-up of the powerful, it confronted an urban society splintered by the blessings and the blows of two decades of ever-deepening marketization. While a growing middle class and a tiny but highly visible wealthy stratum basked in benefits of urban reform, other social elements, also resident in the cities, who were wrestling with the throes of downward mobility, sudden job loss and unaccustomed poverty, threatened to unravel the gains in which their neighbors reveled. In the paper that follows, I take a look at the urban scene as a whole as it presented itself just past the turn of the century. But admittedly I give a bit more emphasis to the situation of a segment of society that is often forgotten or discounted in the more optimistic, congratulatory accounts of the post-1978 period of market reforms.

On the plus side, during the Ninth Five Year Plan period (1996-2001), per household disposable income increased at an average annual per person rate of 5.7 percent in real terms, while the urban wage for staff and workers' wages experienced an average per person annual increase of 15.9 percent. Deducting for price factors, the average real growth in disposable income, wages, and urban consumer expenditures saw annual average increases of 6.8, 6.9, and 6.7 percent, respectively. Permanent residents' average disposable income had risen to 6860 yuan, an improvement of

18.88-fold over the year when reforms began in 1978.¹ The lifestyle of this well-to-do, increasingly cosmopolitan and consumerist upper crust featured private car and home ownership, travel abroad, vacations and every manner of electronic convenience and luxury; a recent survey found that urban dwellers held an average of 228,300 yuan in total assets, growing at an annual rate of about 25 percent since 1984, according to a National Bureau of Statistics report. Real estate on average worth 109,400 yuan accounted for about 50 percent of total assets. Moreover, each home in the study possessed 11,500 yuan worth of consumer goods.²

Accordingly, a recent volume paints an alluring portrait of city folk enjoying leisure activities and consumption patterns that include bowling, purchasing Western wedding garb, sending greeting cards and supping at MacDonalds.³ These are the partakers in a much-acclaimed "consumer revolution" that emerged in the 1990s in China's extra-large and most cosmopolitan metropolises and they are almost certainly contented with the shape of their present lives. If this assumption is correct, these people form a part of the contingent of all urbanites who, in a 2002 survey conducted for the project on "East

¹ Yang Yiyong, Huang Yanfen, "Zhongguo jumin shouru fenpei xin geju" [The new pattern in income distribution among Chinese urbanites], in Ru Xin, Lu Xueyi, and Li Peilin, Shehui lanpishu: 2003 nian: zhongguo shehui xingshi fenxi yu yuce [Social blue book: 2003 analysis and predictions of China's social situation] (Beijing: shehui kexue wenxian chubanshe [social science documents company], 2003), 226-34.

² Reported in China News Digest, September 28, 2002, from the Agence France Presse.

³ Deborah S. Davis, ed., The Consumer Revolution in Urban China (Berkeley: University of California Press, 2000).

Asia Barometer: Comparative Survey of Democratization and Value Changes," claimed their lives had improved (49 percent) or even gotten much better (4.2 percent) over the previous five years.⁴

I begin with material in an internal report suggesting that the total of those laid off from state enterprises and the unemployed (both the registered and those who are unregistered) combined could have been as high 60 million as of mid-2001.⁵ A similar reckoning offered in a conference paper delivered in Hong Kong at the end of 2001 held that those city residents of working age who were full-time formal work numbered not less than 60 million as of time, amounting to an unemployment rate of 12 to 15 percent.⁶

If there is some validity to these two less public reports, that would call into serious question an official total of unemployed and laid-off for the year 2000 of a mere

⁴ Data courtesy of Tianjian Shi. The calculations here are from the unweighted sample (the only version available as of May 2003).

⁵ Wang Depei, "'San min' yu 'erci gaige'" ['Three people' and 'The Second Reform'], Gaige neican [Reform Internal Reference] (hereafter GGNC), No. 7 (2001), p. 25. Economist Hu Angang stated that China had laid off 55 million people from 1995 to mid-2002 (China News Digest, 9 July 2002).

⁶ Tang Jun, "Dibao Zhiduzhong de shehui paichi" [Social discrimination in the minimum living guarantee system], paper presented at the Conference on Social Exclusion and Marginality in Chinese Societies, sponsored by the Centre for Social Policy Studies of the Department of Applied Social Sciences, the Hong Kong Polytechnic University and the Social Policy research Centre, Institute of Sociology, the Chinese Academy of Social Sciences, Hong Kong, November 16-17, 2001, p. 1.

12 million.⁷ One scholar has written--in a journal that is translated into English--that about 30 million workers had been laid off as of 2001, which he estimated as amounting to about 30 percent of the state enterprise workers in place as of 1995.⁸ But if 60 million have actually been dismissed, obviously 30 percent is far from high enough. Another study calculated the urban workforce at about 210 million in recent years;⁹ if

⁷ Qiao Jian, "Jiaru WTO beijingxia de zhongguo zhi Gong zhuangkuang" [The Condition of China's Staff and Workers Against the Background of Entering WTO], in Li Peilin, Huang Ping, Lu Jianhua, eds., 2001 nian: Zhongguo shehui xingshi fenxi yu yuce [Year 2001: Analysis and Forecast of China's Social Situation]. (Beijing: shehui kexue wenxuan chubanshe [Social Science Documents Publisher], 2001), p. 315 claims that at the end of June 2000 the total was 11.2 million. Laodong he shehui baozhangbu, Guojia tongjiju [Ministry of Labour and Social Security, National Bureau of Statistics], "2000 niandu laodong baozhang shiye fazhan tongji gongbao" [The Year 2000's Statistical Report of the Developments in Labour and Social Security], LDBZTX, No. 6 (2001), p. 36 notes 6.57 million laid-off as of the end of 2000, but Wang Dongjin, Deputy Minister of Labour and Social Security, referred in February 2001 to "some 20 million laid-off workers" (Reuters, "China to Lay off 6.5 Million Urban Workers a Month," Inside China Today, 16 February 2001).

⁸ Zhang Wanli, "Twenty Years of research on Stratified Social Structure in Contemporary China," Social Sciences in China XXIII, 1 (Spring 2002), 52.

⁹ As of June 2000, 200.72 million people comprised the urban workforce, according to the National Bureau of Statistics. See n.a., "2000 nian shangbannian laodong he shehui baozhang qingkuang tongji baogao" [A statistical report on the situation in labor and social security in the first half of 2000] ZGLD, 10 (2000), 57; by the end of that year, that sector had risen to 212.74 million people (Laodong he shehui baozhangbu, Guojia tongjiju, "2000 niandu laodong baozhang shiye fazhan tongji

that is accurate, then somewhere between 14 and 29 percent of the urban workforce could be counted as unemployed. A more modest estimate runs in the range of 15 to 20 percent nationwide, as of spring 2002.¹⁰ And as told in the labour department's own statistics, just 21 million--less than half even of the 46 million whose jobs are gone officially,¹¹ not to mention millions of others whose firms have crashed that the regime does not tally--had been registered for the government-sponsored Reemployment Program between May 1998 and the end of the year 2000.

In the same survey of residents' opinions on their lives mentioned just above, a full 29 percent of the Chinese population asserted that their family's economic situation was bad or very bad (22.5 percent and 6.5 percent, respectively), while 20.9 percent termed their family's economic situation worse as compared with the time of the last Party Congress, the 15th, held five years earlier in September 1997. This is quite a bit more than the 8.5 percent who had felt that way as they looked backward five years at

gongbao" [The year 2000's statistical report of the developments in labor and social security], p. 36.

¹⁰ Matthew Forney and Neil Gough, "Working Man Blues," *Time*, 159, 12 (April 1, 2002), pp. 26-27, based on the calculations of Beijing University Xiao Zhuoji.

¹¹ Hu Angang, "China's Present Economic Situation and its Macro-Economic Policies," (n.p.: RAND-CHINA REFORMFORUM CONFERENCE, November 29-30, 2001), 9. Hu says here that between 1996 and 2000, the number of workers and staff in state firms was reduced by 31.42 million, amounting to 27.9 percent of the previous workforce there, and that, combined with the 15.17 million cut from collective enterprises, the two together totalled 46.59 million lost jobs, or 32.7 percent overall. See also Also Hu Angang, "Chuangzhaoxing de cuihui: zhongguo di jiegou biange (1996-2000 nian)" [Creative destruction: China's structural evolution (1996-2000)]. Ms, 2001, 1.

the time of the previous Party Congress, held in late 1997.¹² And in a probability survey carried out in under the auspices of the Chinese Academy of Social Sciences mid-2001, targeting 6,000 urbanites in 12 provinces and 72 cities, counties and districts, a similar result was obtained: 23.8 percent declared their standard of living had changed for the worse (12.6 percent said somewhat worse, 11.2 said very much worse) compared with 1995.¹³

Similar data come from some individual cities. In a survey done in Wuhan in 2000, for instance, 23 percent of respondents reported that their income had declined somewhat (13.3 percent) or declined a lot (9.6 percent) since 1995.¹⁴ That same study also found that 42 percent of the city's population was living in households where the average monthly income per person was US\$156 per month or less.¹⁵ Research on 1,000 laid-off workers of Beijing performed in 1999 revealed that their average

¹² Data courtesy of Tianjian Shi.

¹³ Lu Xueyi, Dangdai zhongguo shehui jieceng yanjiu baogao [A research report on China's current social structure] (Beijing: shehui kexue wenxian chubanshe [social science documents publisher], 2002), pp. 3, 39.

¹⁴ Benwen ketizu, *op. cit.*, 31.

¹⁵ *Ibid.*, p. 30. The breakdown here was that 28 percent were living in households where the annual average income per person was 8,000 to 15,000 yuan, and 14.4 percent were living in households where the annual average income per person was of under 8,000 renminbi. This translates into US\$83 per year per person or less in the lowest 14.4 percent of the population.

income fell by 61 percent, while that of the "especially poverty-stricken" [tekunhu] dropped even more.¹⁶

Linked to findings of this sort is material exposed in an internal report on "social disturbances" published by the Party's Organization Department in 2001. This volume announced ominously if confidentially that the Gini coefficient was approaching a dangerous 0.4 nationwide as of the year 2001.¹⁷ The statistic included both urban and rural people, the latter of whom live far worse, on the average, than do urbanites.¹⁸ Gaps are pronounced among regions, too. By one research team's calculations, the urban population accounts for 36.09 percent of the total population overall, but the proportions of urban people among the total population vary greatly by geographic area: the statistics are 49.42 percent in the east, and just 29.45 percent in Central and Western China.¹⁹

¹⁶ *Ibid.*, p. 15.

¹⁷ Zhonggong zhongyang zuzhibu, p. 70. According to an email communication from Arthur R. Kroeber, March 12, 2003, recent World Bank data show that the year 2000 Gini coefficient in China was 0.44.

¹⁸ Yang Yiyong and Huang Yanfen, op. cit., p. 227, gives the following progressively increasing urban-rural income differentials for the years 1996 to 2001, expressed as the amount greater the urban average income is as compared to the rural one:

Year Income difference

1996 2.51

1997 2.47

1998 2.51

1999 2.65

2000 2.79

2001 2.90

¹⁹ Lu Xueyi, op. cit., pp. 90, 91.

The same Organization Department study revealed that the National Bureau of Statistics, in collaboration with the State Council Research Office and other units, had discovered that nationwide 20 to 30 million urban workers had fallen into poverty in recent years, and that, with their family members, they added up to about 40 to 50 million people altogether, or almost 13 percent of the urban population.²⁰ A final grim official statistic from March 2002 admits that 30 million urbanites who could barely subsist were living in slums and unable to afford some of the basic necessities of life. This most destitute among the city dwellers amounted to nearly seven percent of the urban population, which stood at 455.94 million as of the time of the 2000 national census, according to the official count.²¹

²⁰ Zhonggong zhongyang zuzhibu ketizu [Chinese central organization department research group], 2000-2001 Zhongguo diaocha baogao--xin xingshixia renmin neibu maodun yanjiu [2000-2001 Chinese investigation report--research on internal contradictions within the people under the new situation], (Beijing: Zhongyang bianyi chubanshe [Central Compilation & Translation Press], 2001), 170-71.

²¹ These figures are not comparable. The 30 million urbanites who were poverty-stricken in 2002 do not include rural migrants, for poverty counts in cities include only the "non-agricultural population," that is, the population holding urban registration. (For one example of many, see Tang Jun et al., Zhongguo chengshi pinkun yu fanpinkun baogao [Report on poverty and anti-poverty in urban China (Beijing: Huaxia chubanshe, 2003), Table 2-1, p. 46.] The migrants, however, earn only about half the income that urbanites do, according to some surveys (see, for instance, Benwen, op. cit., which notes on p. 24 that the average urban income in the year 2000 in Wuhan was 610 yuan per person per month, while that p. 27 says that the average wage income per person among those who have left the village and were working in Wuhan was 340.05 yuan per month.). But the official total for the urban population does

Meanwhile, untold numbers of migrants from the countryside entered the cities in search of work over the preceding two decades. Figures for those who have left their rural homes range from one to two hundred million, and, though many of them do find jobs²²--often against the orders of central orders and to the distress of furloughed urban workers--the lot in the municipalities of many of them continues to be most unsavory. A recent study by Human Rights in China has found continued torment and torture of rural workers picked up at whim in the cities up to the present.²³

Accompanying these dire figures has gone a mounting surge in protests and demonstrations in response, as this Organization Department reveals. Rising "mass incidents" vex the governors, as they erupt in the form of petitions, but also by blocking roads, railroads, and bridges, assaulting party and government organs and personnel. In the cities, not just retired and laid-off workers, but in addition small proprietors, teachers and students and even cadres have remonstrated and rallied, in the name of

include some migrants. In the 2000 census migrants who had left their homes a full six months before the census was administered were included in the urban population total. See Zhou Yixing and Laurence J. C. Ma, "China's Urbanization Levels: Reconstructing a Baseline from the Fifth Population Census," The China Quarterly, No. 173 (March 2003), p. 187.

²² According to Hu Angang, workers with rural household registration accounted for just 7.8 per cent of new urban jobs in 1979, but this proportion had risen to 29.85 per cent by 1996 (Hu, "Employment and Development," p. 7).

²³ See Dorothy J. Solinger, Contesting Citizenship in Urban China: Peasant Migrants, the State and the Logic of the Market (Berkeley: University of California Press, 1999) and Human Rights in China, "Institutionalized Exclusion: The tenuous legal status of internal migrants in China's major cities," Hong Kong, November 6, 2002.

such grievances as delayed wages and pensions and unfulfilled compensation for the loss of work posts. Researchers worry as numbers rise, the scale expands, and the wronged become more antagonistic.²⁴ According to the Hong Kong Center for Human Rights and Democracy, China witnessed as many as 60,000 labor protests alone in 1998, most involving former state employees; the following year that number allegedly climbed to 100,000.²⁵ While material of this sort by no means ensures that China is set to encounter instability on a massive and uncontrollable scale, they do serve to temper the enthusiasm of reform proponents.

The Current Shape of Social Stratification

In whatever light they are viewed, the data just reviewed surely suggest that the shape of the urban social structure in China has undergone a major transformation in the decades since economic reform began in 1978, and that further alterations have taken place just in the five years between the past two Communist Party Congresses, in 1997 and 2002, respectively. As of the turn of the century, several efforts at mapping this shift have emerged, and I recount some of their findings below. The picture that the surveys undertaken to chart the changes uncover is one to which the post-Congress leadership group must respond; its members need to determine the stance they will adopt and the biases, if any, they are prepared to display as they forge their own agenda.

²⁴ Ibid., pp. 67-69.

²⁵ Jiang Xueqin, "Fighting to Organize," Far Eastern Economic Review, September 6, 2001, 72-75.

Over the first few years of the new century there was much talk of the concept of the "Three Represents" coined by outgoing Party General Secretary and state President Jiang Zemin in early 2000. This theory, developed by several of Jiang's academic followers, was first articulated in a speech of Jiang's that he delivered, quite appropriately, in Guangdong province; it became a catch-word for that leader's political platform and indeed for correct policy in the two or three years thereafter while he remained at the helm of power.²⁶

Whether the stratification of the urban public as of the early years of the century is best conceived as a hierarchy of classes or as one of status groups is difficult to pin down precisely. If we resort to the most common approach, the Marxian one, which distinguishes collectivities in terms of their common economic condition, and, specifically, their relationship to capital and the means of production, we might simply see the Three Represents as corresponding to an upper (those responsible for and benefiting from their expertise in manipulating the "advanced productive forces"), a middle (those with the intellectual and educational attributes for contributing to "advanced culture"), and a working class (the rest of "the people").

²⁶ Joseph Fewsmith, China Since Tiananmen (New York: Cambridge University Press, 2001), p. 230; Susan V. Lawrence, "Three Cheers for the Party," Far Eastern Economic Review, October 26, 2000, pp. 32- ; and Andrew J. Nathan and Bruce Gilley, China's New Rulers: The Secret Files (New York: New York Review Books, 2002), pp. 116, 167-68. According to Nathan and Gilley, p. 168, the theorists who developed the concept did so out of a recognition of the growing significance of the middle class. Lawrence's article emphasizes Jiang's fears about Party rule collapsing, as happened in other socialist states, and his desire to recast the Party's identity to meet the challenges of the 21st century.

Alternatively, since not all of Jiang's labels are economically-oriented, it might work better to view the divisions to which each "represent" refers to as status groups, subjectively appraised assemblages separated more by the particular role they play in society than by their respective income rankings. Certainly those who might be sorted into either of the first two categories are better differentiated by their function and its prestige than by their level of wealth.

For instance, informal ties and hidden corruption could enable some people with specialized technical expertise--who might seem best placed among those responsible for "advanced culture"--to fall into an upper class economically. Conversely, some enterprise managers, engaged primarily in upgrading the work process, may fall financially into the tier of the middle class and not into the echelon of the most successful private entrepreneurs, even though they may, like the entrepreneurs, be laboring to advance the productive forces. Moreover, among "the people," those still employed surely belong to a different status group than do the laid-off staff and workers [xiagang zhigong] or, even worse, the fully unemployed.

Recent social surveys tend to break the population down occupationally, as in the recent authoritative study completed by Lu Xueyi and other researchers at the Chinese Social Science Academy mentioned earlier.²⁷ That project classified the population of China into just four strata: workers, peasants, "middle (or white-collar) stratum," and the private entrepreneurs. It appears, from the way these scholars define the latter

²⁷ Lu Xueyi, *op. cit.*

group, that, if the workers and peasants were combined, these groups more or less fit Jiang's three categories.²⁸

To comprehend the nature of the audience the leadership perceived itself to be addressing, it will be helpful to get some rough sense of the proportions of the urban community occupied by each of the category groups among the three targets of the "represents." I start with the first two "represents." As for the first of these, those adept at handling "the advanced productive forces," Lu Xueyi's team found that in four urban areas typical of China's range of cities--one that constitutes a special economic zone (Shenzhen), one that is a Central China provincial capital (Hefei), a Central China county-level city near Wuhan (Hanchuan), and a minority area county-level town in Western China (Zhenning)--the peak of what this team calls China's pyramidal social structure is quite small. Indeed, a table in the study notes that a mere 0.6 percent of the populace nationwide is taken up by private entrepreneurs. Stated differently, about 7.8 million people could be deemed members of an upper class.²⁹

²⁸ Despite that private entrepreneurs comprise a separate category, the authors use this title to apply to the wealthiest among them, or what could be said to be the upper class. For in their definition, the "middle class" is composed of those with "white collars," such as private entrepreneurs, those working in foreign firms, office workers, technical workers, high- and middle-level professors, engineers and those with scarce technical skills, the managers of large state firms and in monopoly sectors, and various types of intermediaries, performers, and sports stars, along with those who have profited by relying on "black," semi-legal and illegal trades (*Ibid.*, p. 249).

²⁹ *Ibid.*, p. 44.

Moreover, overall, the authors figure, 60 to 70 percent of the population is comprised of people having an income below the average of that in their city of residence. More striking, in both the wealthiest and the poorest of the four places investigated, Shenzhen and Zhenning, a full 74 percent have incomes below the average level in their home towns.³⁰ The authors also report that, as of 1999, according to their statistical analysis, just 18.3 percent of the entire population could be counted as being a part of the middle class--perhaps equivalent to the second "represent," those skilled in "advanced culture," but that only 15 percent of the working population belonged there.³¹ Besides, it is only in the larger cities, such as Shenzhen and Hefei, the researchers discovered, that the middle class is composed of what they call the "modern middle stratum," that is, specialized technical personnel and office personnel, whereas in Hanchuan and Zhenning the middle stratum is comprised of

³⁰ *Ibid.*, p. 25. According to Benwen ketizu [The research group for this document], "Xin shiqi wuhan shehui jieceng jiegou yanjiu" [Research on Wuhan's social structure in the new period], Changjiang luntan [Yangtze Tribune], No. 5 (2002), p. 33, 81.4 percent of the population of Wuhan had incomes in the middle middle, the lower middle, and the lower strata of society as of the year 2000.

³¹ *Ibid.*, pp. 50, 73. This second statement is a bit hard to comprehend since the authors explicitly define the middle class according to occupational group. According to James Kynge, "Borrowing Sustains middle class's in China's Long March to Prosperity," Financial Times, December 28, 2002, "other [unnamed] commentators have reported that only 40 to 100 million people belong in the middle class, because of their income of more than US\$3,000 per year, which would amount to over 2,000 yuan per month. Such analysts, then, would be arguing for a middle class representing from only 3.5 to nine percent of the total population.

"traditional" types, in short, the small-time private industrialists and merchants [geti gongshanghu].³²

The bulk of the population, some 66.6 percent of it, lies within a lower stratum containing two categories: industrial workers [chanye gongren] (of which urban-situated peasant workers [nongmingong] account for 7.8 percent)³³; and peasants, with these two categories representing 22.6 and 44 percent of the total, respectively.³⁴ Startling variation obtains in the percentages of the urban population that belong to the middle class, as evidenced, for instance, in the study's finding that 46 percent of Shenzhen's population fit there, but just 38 percent of Hefei's, only 10 percent of Hanchuan's, and a mere 3 percent of Zhenning county's.³⁵

True, as the authors point out, the middle class has emerged and is growing.³⁶ But, to put this into a larger perspective, so too are those without steady work. According to Sun Liping, a Chinese social scientist at Tsinghua University's Humanities and Social Science Academy, since the late 1980s China went through a transition from a stage of capital diffusion to one of wealth concentration; by the early 1990s, the

³² Lu Xueyi, *op. cit.*, p. 50.

³³ The authors list those who are part of the working class on p. 127, including manufacturing labor, miners and electrical, coal, water supply, and construction and transport workers, along with their assistants and service workers.

³⁴ *Ibid.*, pp. 44, 74.

³⁵ Lu Xueyi, *op. cit.*, p. 88.

³⁶ *Ibid.*, p. 49.

process of amassing wealth had really taken off.³⁷ Following this trend, Sun argues that, while some scholars surmise that the entrepreneurs and white collar workers of today are evolving into a middle class, he foresees instead a trend moving China toward severe income polarization, as is found in a number of the societies of South America.³⁸

According to his reasoning, the enormous wealth of a relative few among the population contributes to the growing size of the "weak groups," or the poor population.³⁹ He charges that although such people's livelihood was gradually improving in the 1980s, since the mid-1990s, even as rather rapid economic growth was taking place, the absolute income of some declined, the numbers of whom have increased over the past few years.⁴⁰ Sun also estimates that nearly 100 million surplus rural laborers entered the cities after the early 1990s, a segment not explicitly mentioned in the Lu Xueyi study.⁴¹

He also maintains that entering the World Trade Organization will mean that those in the highest stratum will eventually see their incomes converge with salaries in the international market. As this occurs, Sun predicts, this elite portion of the population will become more and more divorced from other sections of the Chinese population,

³⁷ Sun Liping, "90 niandai zhongqi yilai zhongguo shehui jiegou yanbian di xin qushi" [New trends in the evolution of Chinese social structure since the mid-1990s], Dangdai zhongguo yanjiu [Modern China Studies], 9, 3 (2002), pp. 7, 9.

³⁸ *Ibid.*, p. 11.

³⁹ *Ibid.*, p. 13.

⁴⁰ *Ibid.*, p. 14.

intensifying polarization within China and solidifying the rejection of the unemployed.⁴²

This portrayal of the social structure in urban China, for the present and the time ahead, raises a critical political question: where will the newly installed political leadership stand with regard to the handling of this issue, and is their position apt to differ from that of the politicians recently retired?

Leaders' Posture, Old and New

Jiang's Views as Expressed in his Political Report to the Congress

With the delivery of outgoing Party chief Jiang Zemin's political report to the 16th Congress, rich in its references to the "Three Represents," a canonical imprimatur was seemingly implanted upon the official conception of Chinese society, along with this purportedly departing leader's pronouncement of the Party's foundational switch in its own social base. What could once be studied under the broad rubric of "state and society" in China should now, the speech signalled, be recognized as a matter of the state confronting not just one entity as the usual social scientific formulation suggests, but, instead, at least three wholly disparate segments of society, certainly for the urban arena. For the now-sanctioned configuration of the social structure translated "society" into a triple formation, in the first orthodox re-ordering of elements in society since the time when Mao's classes and class struggle was jettisoned over twenty years before.

Thus, the relationship between "the state" and "society" had shifted, publicly and authoritatively, into one that is multi-layered, stratified by three very dissimilar

⁴¹ *Ibid.*, p. 14.

⁴² *Ibid.*, pp. 18-19.

Party/state strategies toward three distinct status groups. For the three categories of the "three represents" in essence amount to stand-ins for three specific social segments--those possessed of the scientific and managerial knowledge and expertise needed to run a cosmopolitan society, those with the superior know-how to develop highly profitable business ventures, and the masses of ordinary, undistinguished people, respectively. At some points in the speech, it almost appears as if a fourth, more lowly segment of society may have been relegated outside "the people" for the foreseeable future: Whether the poverty-stricken, the new urban poor, those who are without steady jobs, are part of the third group, or whether they instead constitute a residual, more or less forgotten fragment of society, remained uncertain.

On the surface, what rapidly became the most celebrated slogan in the nationwide media, has been read by many as having been intended to stretch the Party's relevance to and recruitment of social elements once disparaged, degraded, and debarred from membership not just in the Communist Party but in polite political society as well, namely, private businesspeople and the highly educated. But in fact, insofar as the cities went, it would seem that Jiang's version of this slogan was a more divisive one than it was integrative. Thus, his recitation of the idiom amounted to a trifurcated splitting up of the citizenry there, with a not-so-subtle preference signalled for the members of its first two target groupings. Accordingly, the posture of the Party in its prior incarnation as the vanguard of the proletariat is to be jettisoned, replaced by a brand new visage, the Party as a conglomeration fit to command and speak for a competitive, modern, and sophisticated constituency, prepared to merge into and contend with superior members of the global economy.

The new centrality of the linkage between China's best citizens and the world beyond is evident in Jiang's bias in his address. This bias grows directly out of the country's new place in the global market, and it appears both early in his speech and also graces the talk's parting words: In his opening statement, Jiang pays homage to the "new phase of development" in which the nation now finds itself, an era when, in Jiang's phrases,

Science and technology are advancing rapidly. Competition in overall national strength is becoming increasingly fierce. Given this pressing situation, we must move forward or we will fall behind.⁴³

Similarly, the oration terminated with another evocation of the intimidating, if alluring, universe abroad:

We must be keenly aware of the rigorous challenges brought about by the ever-sharpening international competition as well as risks and difficulties that may arise on our road ahead.⁴⁴

The leadership's unanimous fixation with China's joining the global economic race, and its concomitant need to match or surpass rivals outside, has been in evidence over the past five years, an up-to-date version of long-held dreams for Chinese leaders. It is this view that powered Jiang's perspective of the Party's prime forthcoming tasks. Indeed, that image of the country's relation to the world, surely magnified once China acceded to the World Trade Organization in late 2001, has unquestionably elevated the

⁴³ "Full Text of Jiang Zemin's Report at 16th Party Congress," in http://english.peopledaily.com.cn/200211/18/eng20021118_106983.shtml (hereafter, Report).

significance of sectors among the people who can contribute to the nation's victory in this endeavor.⁴⁵ At the same time, it has relegated the undereducated and the unskilled to the margins of society.

True, "the people" (i.e., those not part of the "advanced" public) are not neglected altogether in the vision of Jiang Zemin. This third group, referred to as the "overwhelming majority of the people" (in the official English-language translation, guangda renmin de genben liyi in the original Chinese)--whose "fundamental interests" are to be safeguarded--seems to constitute the selfsame segment of the population with whose "fundamental interests" Jiang claims the major policy decisions taken by the Central Committee at and since the last Party Congress have been in accord. For the identical Chinese words are used in his speech in discussing both these points.

If by this designation Jiang is indeed referring to the same set of people, then he may be implicitly abandoning--or at any rate omitting from his Three Represents--the victims of the "difficulties" of recent years: for surely as opinion surveys and statistical data on livelihood have demonstrated above, what the Party has done since 1997 is not in their interests. Jiang himself is well aware of those left behind, as he explicitly makes reference to incomes increasing "only slowly"; unemployment; people "still badly off"; and those suffering because "things have yet to be straightened out in the matter of income distribution."⁴⁶

⁴⁴ *Ibid.*

⁴⁵ Lu Xueyi, op. cit., pp. 142-43.

⁴⁶ Report.

Another mention of "represent[ing]" these "fundamental interests" of this "overwhelming majority" in the speech is then *followed by* a sentence admonishing that, "*More importantly*, we must pay great attention to less developed areas and the industries and people in straitened circumstances and show concern for them" [emphasis added], as if referring to an altogether separate portion of the people, perhaps, one might conclude, a segment that is not a part of the Three Represents. And when Jiang enumerates the "main tasks for economic development and reform in the first two decades of this century," the charge "steadily [to] uplift the people's living standards" is number seven out of seven. One more example: in listing eight rather more concrete assignments, Jiang ranks the first one to "take a new road to industrialization and implement the strategy of rejuvenating the country through science and education and sustainable development." But the mission of reforming the system of income distribution and improving the social security system is only sixth in line, while doing "everything possible to create more jobs and improve the people's lives" comes last of all.

Yet again, in the section of the speech concerning economic development, when Jiang turns to income distribution, he explicitly favors "efficiency" over "fairness," through "bringing market forces into play and encouraging part of the people to become rich first."⁴⁷ In short, China under the rule of Jiang progressively subjected itself to pressures for excellence and international competition, and, certainly for Jiang Zemin himself, this has spelt a contraction of the relevant political community.

⁴⁷ Report.

Thus, though most of the light that was directed toward the 16th Chinese conference was shone on its sanction of the private sector, and while some have likened China's leaders' perceptions and goals to those embodied in Khrushchev's 1961 notion of the "state of the whole people,"⁴⁸ I read Jiang's approach not so much as a version of Ken Jowitt's concept of "inclusion,"⁴⁹ an expansion of the Party's target groups in the style of what was supposed to have happened four decades ago in the Soviet Union. For, significantly, something like that is well in the past by now. As I argued in a piece I wrote fully 13 years ago, a symbiotic "merger" of the state with urban entrepreneurs was then already well underway even in the late 1980s.⁵⁰ And Deng Xiaoping's 1979 declaration that intellectuals were members of the working class, along with his removal of "class labels" from the old bourgeoisie and others, achieved "inclusion" for the well educated in China as much as 24 years ago. Accordingly, I would argue that what was communicated in Jiang's agenda was more a *restriction of* and a

⁴⁸ Two examples are Tony Saich, Governance and Politics of China (Houndmills, Great Britain: Palgrave, 2001), p. 78 and Nathan and Gilley, *op. cit.*, p. 88.

⁴⁹ On this, see Ken Jowitt, New World Disorder: The Leninist Extinction (Berkeley: University of California Press, 1992), Chapter Three. On p. 88, Jowitt defines inclusion to be "attempts by the Party elite to expand the internal boundaries of the regime's political, productive, and decision-making systems, to integrate itself with the unofficial (i.e., non-appartchik) sectors of society rather than insulate itself from them."

⁵⁰ "Urban Entrepreneurs and the State: The Merger of State and Society," in Arthur Rosenbaum, ed., State and Society in China: The Consequences of Reform (Boulder: Westview Press, 1992), pp. 121-41.

shrinkage in the political community, in terms of the absolute numbers of those whose interests were to be served, and those to whom appeals will be proffered.

What then are the implications of this policy stance for the several status groups within urban society? The answer here must be variegated in accord with the weight now accorded each of them by the state. Those who have done recent, careful investigations of the relationships between private entrepreneurs and officialdom in the late 1990s, whether they have studied individuals or groups, come to a similar conclusion: at the birth of the new century, the symbiotic bond between the two that had already emerged by the late 1980s has only been consolidated further, if in new and slightly altered forms, according to David Wank.⁵¹

And in a recent study of over 500 businesspeople who owned and operated firms with reported annual sales of over a million renminbi per annum, Bruce Dickson has demonstrated that organized entrepreneurs remain "still closely embedded in the state, cooperat[ing] with local officials and willing to be coopted by them."⁵² at the time of Dickson's research (in 1997 and 1999), already one third to two-fifths of the

⁵¹ David Wank, "Business-State Clientelism in China: Decline or Evolution?" in Thomas Gold, Doug Guthrie, and David Wank, eds., Social Connections in China (Cambridge, England and New York: Cambridge University Press, 2002), pp. 97-115.

⁵² Bruce Dickson, "Do Good Businessmen Make Good Citizens? An Emerging Collective Identity Among China's Private Entrepreneurs," in Merle Goldman and Elizabeth J. Perry, eds., Changing Meanings of Citizenship in Modern China (Cambridge, MA: Harvard University Press, 2002), p. 256.

entrepreneurs in his sample had been absorbed into the Communist Party, while some had joined local people's congresses and political consultative congresses.⁵³

Accordingly, Dickson concludes that the state's double-barreled tactic--of building new organs to link the state with the business sector as a whole, while coopting individual entrepreneurs into the Party--has successfully subverted any moves toward autonomy among these elements.⁵⁴ It appears, then, that in its mission of acting as representative of its first constituency--the promoters of the advanced productive forces--the state is efficaciously enfolding its appointed constituency, and there is no indication that this approach should change in the years ahead. Nothing in the political report suggests otherwise.

The state's strategy toward the middle class, whose most prominent members constitute the second "represent," that is, those capable of bearing "advanced culture," is best observed in its treatment of popular associations. In this realm, through repression and surveillance a skillful fine-tuning has rendered tiny and fragmented those groups that are perceived as dangerous to the regime. Meanwhile, a program of courting and incorporating people seen as significant to it has managed officially to bind sizable portions of the intellectual elite to the state.

At the same time, there also remains a space of relative looseness occupied in the cities by the non-dissident intelligentsia and the new professional strata, who exist in relationships with the state in some cases marked by mutual wariness and distrust, but in others by ties of mutual nurturance. Gordon White and Jude Howell's research of the

⁵³ *Ibid.*, pp. 272, 277.

⁵⁴ *Ibid.*, p. 287.

early 1990s uncovered these patterns in state behavior, which, according to a recent article by Tony Saich, continued in place as of the end of the decade, though by then some better endowed associations were finding ways around the state.⁵⁵

But, Saich shows, 1998 regulations issued by the National People's Congress, while encouraging an expansion of societal intermediary organs, at the same time laid down rules on registration and management that would enhance state controls while--by charging huge fees for registration--limiting efforts by the less well educated and the poor to form bodies of their own.⁵⁶ This mode of handling social organized activity--or, one might say, of chiefly "representing" the purveyors of modern business techniques and high-tech knowledge--was the hallmark of Jiang Zemin's rule.

For the third stratum for which the Party intends to act as deputy, the majority of "the people," Jiang prescribes a course of trying to raise the proportion of people who are part of the middle-income group while increasing the income of the low-income group.⁵⁷ But he does not overtly mention, but is surely thinking of, the startling rise in

⁵⁵ See Gordon White, Jude Howell and Shang Xiaoyuan, In Search of Civil Society: Market Reform and Social Change in Contemporary China (Oxford and New York: Clarendon Press, 1996) and Tony Saich, "Negotiating the State: The Development of Social Organizations in China," The China Quarterly, No. 161 (March 2000), pp. 124-41, which makes most of the same points, but also underlines the possibilities for groups to negotiate with, evade, or feign compliance with the state, presumably if they have independent funds and are well enough placed to do so.

⁵⁶ Saich, *op. cit.*, pp. 128-132. See also "Bound and Gagged: new regulations further curtail freedom of association," China Rights Forum, Spring 1999, pp. 28-33.

⁵⁷ Report.

demonstrations and other disturbances that the reforms have occasioned when he underscores the urgency of ensuring stability, the byword in dealing with protests in official addresses for over a decade.⁵⁸ Despite the rallies' frequency and escalation in scale and the leaders' keen awareness and deep unease over them, the regime has been vigilant and vigorous in undercutting and intimidating their participants.⁵⁹ The contrast between the realities of repression on the ground and the bland assurances of Jiang Zemin in his speech ("we should strengthen employment management in accordance with law, safeguard the legitimate rights and interests of workers..."⁶⁰) is sobering indeed.

Granted, for these people he does promise efforts to create more jobs and improve people's lives. But he offers no specific new initiatives, and only pronounces on

⁵⁸ See Gong'anbu dixi yanjiusuo "quntixing shijian yanjiu" ketizu [Ministry of Public Security Fourth Research Institute's "mass incidents research" group], "Woguo fasheng quntixing shijian de diaocha yu sikao" [Investigation and reflections on our country's mass incidents], Neibu canyue [Internal consultations] 31 (576) (8/10/2001), pp. 18-25 and Zhonggong zhongyang zuzhibu ketizu [Chinese central organization department research group], 2000-2001 Zhongguo diaocha baogao--xin xingshixia renmin neibu maodun yanjiu [2000-2001 Chinese investigation report--research on internal contradictions within the people under the new situation] (Beijing: Zhongyang bianyi chubanshe [Central Compilation & Translation Press], 2001).

⁵⁹ A chilling piece of reporting on how three labor leaders were respectively jailed, bought off and terrified by police in the northeastern city of Liaoyang, the site of massive protests in the spring of 2002, is Philip P. Pan, "Three Chinese Workers: Jail, Betrayal and Fear: Government Stifles Labor Movement," The Washington Post, December 28, 2002, A01.

the protracted nature of the problems entailed, as he muses on them at the very close of the section on economic development. Indeed, every type of plan he offers--from giving policy support to firms that increase jobs or reemploy laid-off workers to helping the general public to change its mentality toward employment--has been tabled time and again over the past five years, and not to much notable effect.⁶¹

The one novel note for an official report delivered at so weighty a convention is the acknowledgment of the inevitability of cityward migration, plus the certainty that urbanization is set to increase massively in the years to come. Especially interesting here is the order to remove "all the institutional and policy barriers to urbanization."⁶² Such admissions and instructions would seem to give greater berth to peasants moving into the metropolises. And yet, even here, there is the accustomed emphasis on containing such movement by keeping it "rational and orderly..[and] guided."⁶³ This display of the inclinations and practices under the reign of the retiring leaders did not lend much optimism for change in policy toward the disadvantaged.

⁶⁰ Report.

⁶¹ I have already documented these efforts and their results as of the end of the year 2001 in Dorothy J. Solinger, "Labor Market Reform and the Plight of the Laid-Off Proletariat," The China Quarterly, No. 170 (June 2002), pp. 304-326.

⁶² Within two months of the meeting's convening, the State Council passed new regulations giving rural migrants a legal right to work in cities and prohibited job discrimination against them. For a summary, see Charles Hutzler and Susan V. Lawrence, "China Acts to Lower Obstacles to Urban Migration," Wall Street Journal, January 22, 2003, Eastern edition, p. A12.

⁶³ Report.

Signs of an Altered Agenda

Several large questions crop up as one speculates on the time ahead. Has the newly appointed leadership endorsed the program in the political report unanimously and sincerely, and have political considerations bound that team's members to further the objectives of the report--along with its biases--in their coming rule? And how powerful are the ties of loyalty binding the new Politburo Standing Committee members to the person of Jiang Zemin and what he wants? It does seem possible that now that forebears Mao and Deng have both departed, their respective legacies may now be legitimating the adoption of two different political stances, one more akin to the preferences of the former and one more aligned with the policies of the latter.

Recent activities and speeches of the new Party General Secretary and perhaps others among the just-appointed elite appear to arouse some doubt as to whether, now that Jiang himself has left his Party post, his successors are in full agreement with him as to the rank ordering of the several sectors of the population to be served under the concept of the Three Represents. Luckily for them, if indeed they see things rather differently from him, the notion of representing three separate segments among the public does leave space for flexible interpretation, without departing altogether from the idea of a three-fold society in the cities.

The one top-level leader who had the most liberal leanings on the eve of the Congress was the former Standing Committee's member, ex-head of the People's Political Consultative Conference, Li Ruihuan. He was also, according to a new book that draws on Party Organization Department investigatory files on the just appointed political figures, the one member of this old committee who appeared least positive about the

theory of the Three Represents.⁶⁴ Interestingly, Li was the sole group discussion leader who emphasized the third of the Three Represents when he met with the Tianjin delegates to the Party Congress in small group meetings.⁶⁵ This man, however, was dropped from the list of current Standing Committee members just weeks ahead of the meeting, presumably because of his open disdain for Jiang Zemin. His example may be serving as a stern warning to those now at the helm to proceed more gingerly and speak less overtly in tones directly opposed to those of Jiang Zemin.

Of those who did make it into the inner circle in the end, it appears from this new book that several of the leaders do take specific stands on issues of economic and social policy. But their standpoints are not entirely consistent. Wen Jiabo, named the next Premier at the March 2003 meeting of the Tenth National People's Congress, supposedly favors privatizing failing state firms and creating a national pension plan for urbanites, as well as doing more to construct a social welfare system (a critical, but, alas, unfulfilled goal of outgoing Premier Zhu Rongji's). Wu Bangguo, on the other hand, who rose from the rank of an ordinary worker, and who has demonstrated his dogged sympathy for state enterprise throughout the 1990s, continues to be cautious about further reforming the sector, hoping even to inject more state investment and

⁶⁴ Nathan and Gilley, *op. cit.*, pp. 51, 80. On pp. 175-76, they note that Li was "outspoken" in visits to poor areas in 1999 and 2001.

⁶⁵ Thanks to Jeremy Paltiel for this fascinating reference. It appears in www.people.com.cn/BG/shizheng/16/20021109/862600.html.

technology into firms with difficulties.⁶⁶ After that March meeting closed, Wen held a lengthy televised press conference at which he presented his vision of a "kinder, gentler government, focusing on unemployment and economic distress," according to a report in the Western press.⁶⁷

As for the new Party head, Hu Jintao, a number of pieces of information suggest that Hu too is taking a position on the side of the poverty-stricken. In the run-up period to the Congress, Hu visibly journeyed to a range of provincial capitals, all of them in provinces that either were traditionally poor or had been made so by worker layoffs and enterprise failures over the past five or six years. During that tour, he held forth on the development of China's west and on the topic of poverty alleviation.⁶⁸ In a similar vein, in his commencement address to the incoming class of the Central Party School in September this year, Hu referred to poverty as the main challenge facing the Party.⁶⁹

⁶⁶ Nathan and Gilley, *op. cit.*, pp. 92, 104, 180, 181.

⁶⁷ John Pomfret, "China's Leader Outlines a Social Agenda," Washington Post, March 19, 2003. Pomfret writes that Wen "set a very different tone from that of his predecessor, former premier Zhu Rongji."

⁶⁸ Susan V. Lawrence, "The New Leadership: It Ain't Over Till it's Over," Far Eastern Economic Review, August 8, 2002, pp. 24-25. Here Lawrence also notes that in the updating of Hu's English-language biography on the web site of the People's Daily, a new bit was added recently, indicating that Hu had "long years of work in remote and poor areas..."

⁶⁹ People's Daily internet edition, September 2, 2002, courtesy of Jeremy Paltiel. Under the rule of Jiang and Premier Zhu Rongji, serious efforts were undertaken, especially in the year 2002, to drastically extend the urban minimum living allowance to the truly destitute.

Once in power, Hu went further yet. In a address he delivered on December 6 at Xibaibo, Hebei, the scene of a major meeting on the eve of Communist victory in 1949, entitled, "Adhere to and Carry Forward the Fine Style of Plain Living and Hard Struggle, and Strive to Achieve the Magnificent Goal of Comprehensively Building a Well-off Society," Hu repeatedly invoked Mao's name. In addition, he treated the Three Represents only near the end of his talk, at which point he seems to have lifted a leaf from Li Ruihuan's book. For there he alluded to (or even spoke directly about) just those in difficulty, those in poverty-stricken areas, enterprises with difficulties, and laid-off workers, among other sorry citizen groups.⁷⁰

And, perhaps most significantly of all, on December 12 a special meeting of the Politburo Standing Committee was convened--and then publicized--whose purpose was to hear relevant departments' reports on solving the production and livelihood problems

See Tang Jun, "Zhongguo chengshi jumin zuidi shenghuo baozhang zhidu de `tiaoyueshi' fazhan" [The leap forward style of development of Chinese urban residents' minimum livelihood guarantee], in Ru Xin, Lu Xueyi, and Li Peilin, Shehui lanpishu: 2003 nian: zhongguo shehui xingshi fenxi yu yuce [Social blue book: 2003 analysis and predictions of China's social situation] (Beijing: shehui kexue wenxian chubanshe [social science documents company], 2003), 243-51. On pp. 243-44, he notes that from the second half of 2001 until late 2002, the central government's initial investment for 2001 went from 800 million to an additional 1.5 billion by year's end, and then up to 4.6 billion for the following year. As a result, the numbers of recipients nationwide grew by nearly 15 million in just one year, rising to about 20 million in late 2002.

⁷⁰ Xinhua Domestic Service, Beijing, January 2, 2003. Courtesy of Alan Romberg.

of those in difficulty. The official news story on this session announced its adoption of a series of measures aimed at grappling with the struggles of these people.⁷¹

These various incidents and speeches could be viewed in several ways. Perhaps Hu and Wen were in each case appearing just as symbols of service to the poor, in order to convince the Chinese people that supporters of further economic reforms could yet champion the impoverished too.⁷² Perhaps instead their purpose was simply to signal independence from Jiang Zemin.⁷³ Whether or not these apparent overtures indeed amount to a sign of a new leadership's shift of emphasis in the state's stance toward the third of the represented collectives--or even more radically to a inclusive nod to the relatively forgotten unemployed--can only be known with time.

⁷¹ Duowei xinwen [Chinesenewsnet.com], December 12, 2002. Courtesy of Li Qiang.

⁷² The analysis of Lawrence in "The New Leadership" would lend itself to such an interpretation.

⁷³ Willy Wo-Lap Lam, Hong Kong, CNN, December 17, 2002.