

Bo's fall exposes cracked party base

Linda Jakobson
The Australian
28 May 2012
P. 10

Bo Xilai is not an exception. The former party secretary of Chongqing stripped of his Communist Party posts for "serious discipline violations" -- a Communist Party euphemism for graft -- amassed a fortune illegally and is believed to have ferried millions of dollars out of the country.

His brothers and sisters, as well as his wife's family, are also millionaires. But then so are thousands of other Chinese senior officials who have abused their power to get rich.

For two decades, China's leaders have warned corruption is a cancer that threatens to kill the party. Bo's dramatic fall is a sign that tumours have spread to vital organs. It has laid bare the fragility of the Communist Party's ability to govern.

The poison that has spread throughout China's ruling class is discussed openly by Chinese citizens at every level of society.

Western analysis of China's future economic and strategic strength based on the continuity of China's rise appears tenuous. Yes, China's economic rise has been spectacular. For three decades the economy has grown at more than 8 per cent annually and hundreds of millions of people have been lifted from poverty. Yes, China's economic strength has been accompanied by a significant bolstering of its military capabilities. But can China stay on track?

The leaders of China's Communist Party live in existential anxiety. They are worried their "Mandate of Heaven", their legitimacy, has worn thin. The political system is increasingly dysfunctional. It is dominated by powerful interest groups on which the party leaders rely for political unity and economic growth, but which will not tolerate their vested interests being infringed upon for the sake of more effective governance.

The power of these interest groups is difficult to curb as long as the Communist Party is above the law and the courts are subservient to the party. The risk of factional infighting resulting in policy paralysis is high, especially accompanying a top leadership change that will take place later this year.

Corruption is reported to be so rife within the People's Liberation Army that even the highest of ranks can be bought. What effect does this have on the PLA's fighting morale and capabilities?

As a result of the probe into Bo's behaviour, China's leadership reveals itself as a group of men who distrust each other even more deeply than previously believed. Bo allegedly even eavesdropped on President Hu Jintao.

China's top leaders face a nearly insurmountable challenge. The country's continued rise hinges on their ability to drastically curb corruption and improve governance. The leaders are acutely aware of the need for the rule of law to ensure more effective governance and consequently economic growth. But they fear allowing an independent judicial system -- a prerequisite for the rule of law -- will lead to the party's demise. The example of the Soviet Union still haunts them.

Many senior Chinese leaders acknowledge opening up political participation to a broader slice of the citizenry would lead to more accountability and that, too, would curb corruption. But they dread a Chinese version of the Arab uprisings.

Even before the Bo affair, widespread discontent due to social injustices and general cynicism had severely weakened the legitimacy of the Communist Party. Not only wealthy but also middle-class Chinese are moving their assets abroad.

Last year, a report by the Bank of China and the publisher of a list of wealthy Chinese indicated about 60 per cent were in the process of emigrating or considering doing so. China's current status as a major power is beyond doubt. Whether that rise would continue is not, however, a given.

Linda Jakobson is program director for East Asia at the Lowy Institute for International Policy in Sydney