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The Bo Xilai Affair and China's Future Development

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1. Introduction

Current events have thrown a spotlight on the Chinese political elite and the structure of the communist party-state: the escape of Chongqing's well-known police chief and deputy mayor Wang Lijun to the US consulate in Chengdu on 6 February 2012, where he apparently sought asylum, the dismissal of Chongqing's powerful party chief Bo Xilai, and the detention of Bo's wife Gu Kailai on suspicion of murdering a British citizen. Observers are divided between those who take the scandal as a major crisis with regard to factional infighting and ideological conflict in China and those who see the response to it as a step which successfully protected China from an even bigger political crisis. For their part, Chinese authorities have argued that the affair is merely a "legal" issue which demonstrates that no-one is above the law.¹ At a press conference held at the end of the 5th Session of the National People's Congress in March 2012, however, Prime Minister Wen Jiabao explicitly emphasized that the growing social gap and the problem of corruption cannot be solved without political reforms. Should the government fail, so Wen, a tragedy such as the Cultural Revolution might one day recur; the Party Committee and the government of Chongqing should therefore rethink their political behaviour and draw lessons from the Wang Lijun case.² This statement illustrates that the affair is not merely a legal issue, but rather one involving major underlying political issues.

In any case, many observers regard the "Chongqing incident" as one of the most important political events in China since 1989 and see in it a connection with present-day factional politics and an indication of dissension about political succession.³ Even though relevant details of the scandal still need to be clarified, we

¹ See "Jianjue yonghu dang Zhongyang de zhengque jue ding", in: *Renmin Ribao (People's Daily)*, April 11, 2012.

² See "Wen Jiabao zongli da Zhongwai jizhe wen", in: *Renmin Ribao*, March 15, 2012.

³ See, for example, Li, Cheng (2012): "The Battle for China's Top Nine Leadership Posts", in: *The Washington Quarterly*, 35, 1, pp. 131-145.

believe that the basic aspects uncovered so far not only shed light on the political elite in China, but also expose many characteristics of the current political structure. These will be analysed accordingly in the following sections.

After a brief chronological overview of the affair itself, our analysis will be carried out according to four aspects:

- a) the course and setting of political conflicts and the characteristics of *individual actors* like Bo Xilai,
- b) the current *power structure* with regard to fragmentation and the particular relevance of political experiments and models,
- c) the *aggregation of interest* with regard to the role of the media and access to information, and
- d) the *claim to power* with regard to conceptual debates about the future development of China.

2. The Bo Xilai affair – a chronology

- 2 Feb. 2012: The government of Chongqing reports that deputy mayor and police chief Wang Lijun has been transferred and will occupy a new position “overseeing municipal education, science and environmental affairs” after taking a “stress-related leave”.⁴
- 6 Feb. 2012: Wang escapes from the city of Chongqing to the nearby US consulate in Chengdu. He spends one day and night there and presumably reveals material that incriminates Chongqing’s Party Secretary Bo Xilai and his spouse Gu Kailai.
- 7 Feb. 2012: Wang leaves the US consulate and is taken under custodial arrest by the Chinese authorities. According to US authorities, Wang officially had an appointment at the consulate and left the next day of his own will.⁵
- 9 Feb. 2012: An open letter purportedly written by Wang Lijun is published by an overseas Chinese-language website accusing Bo Xilai of corruption and labelling him “the greatest gangster in China”.⁶
- 15 March 2012: Xinhua News Agency releases a brief communiqué about the dismissal of Bo Xilai as the Party Secretary of Chongqing.⁷

⁴ See “Jingjie tiewan” (Warning about the iron fist of the state), www.360doc.com/content/12/0215/09/6772399_186735912.shtml (accessed on 2012-05-20).

⁵ See U.S. Department of State: Daily Press Briefing – 8 February 2012. www.state.gov/r/pa/prs/dpb/2012/02/183574.htm#CHINA (accessed on 2012-08-05) and “Waijiaobu fayan renban gongshi jiu Wang Lijun shijian dawen”, in: *Renmin Ribao*, February 9, 2012, <http://politics.people.com.cn/GB/17072592.html> (accessed on 2012-08-08).

⁶ <http://forum.dwnews.com/threadshow.php?tid=916253> (accessed on 2012-08-05).

⁷ See “Chongqing shi wei zhuyao fuze tongzhi zhiwu tiaozheng zhang dejiang jian ren Chongqing shi wei shuji”, http://news.xinhuanet.com/politics/2012-03/15/c_2111657329.htm (accessed on 2012-05-20).

- 26 March 2012: The British Foreign Office asks China to reopen the investigation into the death of British citizen Neil Heywood and the possible involvement of Gu Kailai.⁸
- 10 April 2012: According to a brief comment by Xinhua News Agency, Bo Xilai has been suspended from his position in the Politburo and Central Committee of the CCP due to “severe violations of party discipline”.⁹
- 26 April 2012: Bo Xilai’s brother resigns from his post as director and vice-chairman of the Hong Kong-listed firm China Everbright International, a state-owned company, which controls one of China’s major banks and a range of other businesses, after an investigation revealed that he was doing business under an assumed name.¹⁰
- 26 July 2012: According to Xinhua News Agency Gu Kailai has been charged on suspicion of involvement in the death of British citizen Neil Heywood. Heywood was found dead in his hotel room in Chongqing in November 2011 and his body was immediately cremated without an official autopsy.¹¹
- 9 Aug. 2012: Trial of Gu Kailai and her helper Zhang Xiaojun for “intentional homicide” in Hefei/Anhui province (Gu received a suspended death sentence on 20 August after confessing to killing Heywood by poisoning him with cyanide).¹²
- 18 Sept. 2012: Xinhua New Agency releases a report with details about the trial of Wang Lijun in Chengdu (Wang charged for leaving without permission, abuse of power, bribe-taking and bending the law in the case of Gu Kailai).¹³

⁸ See “Britain asks China to Probe Death of UK Citizen in Bo Xilai’s Chongqing”, in: *The Daily Telegraph* (London), March 26, 2012, www.telegraph.co.uk/news/worldnews/asia/china/9166700/Britain-asks-China-to-probe-death-of-UK-citizen-in-Bo-Xilais-Chongqing.html (accessed on 2012-08-08). Details about the death of Neil Heywood also emerged in China Digital Times, April 18, 2012, <http://forum.dwnnews.com/threadshow.php?tid=916253> (accessed on 2012-05-20).

⁹ “Shouquan fabu: zhonggong zhongyang jue ding dui Bo Xilai tongzhi yanzhong weiji wenti li’an diaocha”, http://news.xinhuanet.com/politics/2012-04/10/c_111761745.htm (accessed 2012-05-20).

¹⁰ See Jacobs, Andrew; Wines, Michael: “Murder Aside, China Inquiry Puts Couple’s Wealth on Trial”, in: *The New York Times*, April 12, 2012, www.nytimes.com/2012/04/13/world/asia/chinas-inquiry-of-bo-xilai-and-gu-kailai-widens-to-their-wealth.html?_r=1 (accessed on 2012-08-05)

¹¹ “Bogu Kailai, Zhang Xiaojun charged with intentional homicide”, http://news.xinhuanet.com/english/china/2012-07/26/c_131741188.htm (accessed on 2012-08-05).

¹² For details of the trial, see *Beijing Qingnian Bao* (Beijing Youth Daily), August 11, 2012; a version in English was printed by China Daily, August 11, 2012. For further information about the verdict and the cases of four former Chongqing officials see: “Bogu Kailai Sentenced to Death with Reprieve for Intentional Homicide”, http://news.xinhuanet.com/english/china/2012-08/20/c_131796197.htm (accessed on 2012-08-21).

¹³ For details of the trial, see: “Wang Lijun Stands Trial for Four Charges”, http://news.xinhuanet.com/english/china/2012-09/18/c_131857911.htm (accessed on 2012-09-19) and “Details of the Trials of Wang Lijun”, http://news.xinhuanet.com/english/indepth/2012-09/19/c_131861108.htm (accessed 2012-09-20) and for details about the verdict: “Wang Lijun Sentenced to 15 Years in Prison”, http://news.xinhuanet.com/english/china/2012-09/24/c_131868689.htm (accessed on 2012-09-24).

3. Characteristics of the Chinese political structure and current challenges

China's economic development over the last few decades has been nothing less than remarkable. Over the past thirty years, the number of Chinese citizens living below the poverty line has declined substantially and the living standard of broad segments of society has been raised successfully. This rapid economic growth has also brought with it enormous alterations in attitudes, norms and values as well as in socio-economic structures since many new income opportunities were created as working and living conditions changed. On the other hand, the Chinese economy is now losing more and more of its original competitive advantages due to rising wages and costs and the implementation of misguided incentives by the party-state. As a result, state enterprises are still a far cry from necessary reforms, agriculture is limping because of a lack of land-ownership rights, tight controls over energy and resources are causing enormous inefficiencies in usage, and loans provided according to administrative quotas are misallocated. What is more, continued domination by the party together with a lack of and/or disrespect for regulations is fostering a large-scale transfer of wealth that enriches those with access to power so disproportionately that social cohesion is endangered.¹⁴

Throughout the reform process, the party-state apparatus struggled on the one hand to adapt quickly to continuously changing circumstances in order to ensure a viable institutional and conceptual framework for dealing with urgent upcoming challenges. On the other hand, however, the logic of the party-state requires that such modifications be organized so that the current representatives of the system (i.e. members of the state sector, the security apparatus and different levels of the party bureaucracy) are willing to integrate themselves into and/or become accustomed to these changes. The system therefore attempts to leave some room for flexible adjustment by officials and other relevant persons who might otherwise become powerful opponents.¹⁵ The result has been a horizontal and vertical disintegration of power, weak binding regulations and the involvement of a multitude of actors with various interests of their own at different governmental

¹⁴ See Peerenboom, Randall (2008): *Is China Trapped in Transition? The Foundation for Law, Justice and Society*, www.fljs.org/uploads/documents/Peerenboom_intro%232%23.pdf (accessed on 2012-05-06); Yong, Kwek Ping (2012): *Private Equity in China. Challenges and Opportunities*, Singapore: John Wiley & Sons, pp. 45-76; Ngok, Kinglun; Zhu, Yapeng (2010): "In Search of [a] Harmonious Society in China. A Social Policy Response", in: Mok, Ka-Ho; Ku, Yeun-Wen (eds.): *Social Cohesion in Greater China. Challenges for Social Policy and Governance*, Singapore: World Scientific Publishing, (Series on Contemporary China, Vol. 23), pp. 69-94; Heberer, Thomas; Schubert, Gunter (eds.) (2009): *Regime Legitimacy in Contemporary China*, London, New York: Routledge; Guo, Baogang; Hickey, Dennis (eds.) (2009): *Toward Better Governance in China. An Unconventional Pathway of Political Reform*, Lanham: Lexington.

¹⁵ See Huang, Jing (2008): "Institutionalization of Political Succession in China. Progress and Implications", in: Li, Cheng (ed.): *China's Changing Political Landscape. Prospects for Democracy*, Washington: Brookings, pp. 80-97.

levels – a political order that has been labelled “fragmented authoritarianism”.¹⁶ The Bo Xilai incident affords a glimpse at the workings of the current politico-economic sphere and illustrates many of the above-mentioned characteristics of China’s present-day political structure.

4. Analysis

In the following sections, the four dimensions mentioned above are used to analyse the Bo Xilai affair, i.e. the characteristics of *individual actors* like Bo Xilai, the current *power structure*, the role of the media in the process of *interest aggregation* and the *claim to power* with regard to concepts for the future development of China.

4.1 Individual actors: corruption, the “princelings” and enormous wealth

Without a doubt, corruption¹⁷ is widespread in China. In the wake of reform and market liberalization, corruption has resulted from structural opportunities, changes of values and norms, the power monopoly of the CCP and weak social control. According to experts, corruption costs around 3-4% of China’s annual GDP and up to an additional 2% of GDP due to capital flight related to corruptive practices. Property, the control of public funds, bribes for jobs, smuggling, infrastructure projects and the legal system are the fields in which corruption is most prevalent. According to Chinese media, the average amount paid to bribe an official has constantly risen in recent years to around one million US dollars. In addition, more and more young, well-educated officials seem to be involved.¹⁸

Many observers link the Bo Xilai affair to a power struggle in preparation for the forthcoming change in leadership in 2012. With regard to such power struggles, corruption charges and related offences can be seen as a “standard instrument” for disposing of political adversaries.¹⁹ In a just-published book of interviews conducted with Chen Xitong, the former mayor of Beijing and former member of the Politburo,

¹⁶ See Lieberthal, Kenneth (1992): “The ‘Fragmented Authoritarianism’ Model and its Limitations”, in: Lieberthal, Kenneth; Lampton, David (eds.): *Bureaucracy, Politics, and Decision-Making in Post-Mao China*, Berkeley, Los Angeles, Oxford: University of California Press, pp. 1-2.

¹⁷ Corruption is understood here as the abuse of power for private gain.

¹⁸ See Bergsten, Fred et al. (2008): *China’s Rise. Challenges and Opportunities*, Washington: Peterson Institute for International Economics; Information Office of the State Council of the People’s Republic of China: *White Paper on China’s Efforts to Combat Corruption and Build a Clean Government*, December 2010.

<http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan043696.pdf> (accessed on 2012-05-06); Zhu, Jiangnan; Lu, Jie; Shi, Tianjian: *When Grapevine News Meets Mass Media. Different Information Sources and Perceptions of Government Corruption in Mainland China*, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1981023 (accessed on 2012-08-08); Zhu, Jiangnan (2012): *The Shadow of Skyscrapers. Real Estate Corruption in China*, in: *Journal of Contemporary China*, 74, 21, pp. 243-260.

¹⁹ See Xiang, Lanxin (2012): “The Bo Xilai Affair and China’s Future”, in: *Survival*, 54, 3, p. 64.

who was charged with corruption in 1995, sentenced to jail and released in 2006, Chen saw parallels between his case and the cases of Chen Liangyu (former Party Secretary of Shanghai and member of the Politburo, arrested for corruption in 2007) and Bo Xilai. Chen denied any involvement in corruption and labelled the cases as “political” intrigues designed to exclude certain people from power due to “disloyalty”.²⁰ Since there are no workable systems for political dispute and competition and no independent judiciary exists, it is at least conceivable that corruption can play a backroom role as a tool for dismantling political careers. Many relatives of leading cadres are heavily involved in business and have amassed great wealth. Therefore it is probably not difficult to tie their deals to illegal practices or corruption with the aim of creating specific misrepresentations deliberately.

At any rate, Bo Xilai was accused of “corruption” and “economic crimes” in March 2012. Among other things, he is held responsible for forced confessions under torture and blackmailing in the course of his version of a “strike hard” campaign in Chongqing. As reported by the newspapers, entrepreneurs from Chongqing raised vehement complaints about such practices. According to them, they were forced by the police to “donate” for important projects of the Chongqing government or to accuse others of breaking the law; some stated that they had to pay “fines” in order to avoid accusations based on fabricated evidence. Businessman Li Jun, for instance, told the Financial Times that the police in Chongqing confiscated his property and forced him under torture to admit to membership of an organized crime gang and to bribery and fraud.²¹ Furthermore, Bo is held responsible for major violations of laws and legal regulations and is suspected of having ordered illegal wiretapping of party and state leaders (including party head Hu Jintao), although this has not been officially confirmed.²² Moreover, he is accused of having bribed renowned professors to hype him and the Chongqing model²³ in order for him to be recommended for membership of the Standing Committee of the Politburo, which is to be elected at the forthcoming National Party Congress in October 2012.

From a biographical point of view, Bo Xilai and his wife belong to the so-called “princelings”, a group of descendants of influential senior Chinese officials who –

²⁰ See Yao Jianfu (ed.) (2012): *Chen Xitong qinshu* (Talks with Chen Xitong), Hong Kong: Xin shijie chubanshe; Miller, Alice (2012): “The Bo Xilai Affair in Central Leadership Politics”, in: *China Leadership Monitor*, 38 <http://media.hoover.org/sites/default/files/documents/CLM38AM.pdf> (accessed on 2012-08-08).

²¹ See “Chinese Infighting. Secrets of a Succession War”, in: *Financial Times*, March 4, 2012, www.ft.com/cms/s/2/36c9ffda-6456-11e1-b50e-00144feabdc0.html#axzz23QdUOaTb; Bristow, Michael: “Torture Claims Emerge in China’s Bo Xilai Scandal”, in: BBC News Beijing, www.bbc.co.uk/news/world-asia-china-17790632 (both accessed on 2012-05-05).

²² See Ansfield, J.; Johnson, I.: “Ousted Chinese Leader is said to have spied on other top officials”, in: *New York Times*, April 25, 2012, www.nytimes.com/2012/04/26/world/asia/bo-xilai-said-to-have-spied-on-top-china-officials.html (accessed on 2012-05-20).

²³ See Mark Siemons: “Risse in Chinas kommunistischem Haus”, in: *Frankfurter Allgemeine Zeitung*, April 13, 2012. According to our own observations, the Chongqing model was launched prior to Bo Xilai’s appointment as Chongqing’s party chief.

due to impeccable family pedigrees and a network of close relations to important people – are “naturally” protected and tend to be promoted to high-ranking political or economic positions in China. In comparison to others, it is believed that a “princeling” can climb the career ladder faster and often higher than others.²⁴ Bo Xilai, born in 1949, is the son of prominent Communist veteran Bo Yibo; Gu Kailai is a daughter of the late general Gu Jingsheng. Bo Yibo was long a member of the Politburo of the CCP and a vice-premier and is regarded as one of the “grey eminences” (also called the “eight immortals”) of the Party. He passed away in 2007. During the Cultural Revolution, Bo Xilai spent five years in prison. In the late 1970s he began to study World History at Beijing University and afterwards obtained a Master’s degree in International Journalism at the Chinese Academy of Social Sciences. In the 1990s he first served in party and government positions at the county level and was later appointed Party Secretary and Mayor of Dalian, a prospering coastal city in north-east China. In 2001 he became the Governor of Liaoning province, in 2004 Minister of Commerce and in 2007 he was appointed Party Secretary of China’s largest municipality, Chongqing, at which time he additionally became a member of the Politburo and the 17th CPC Central Committee.²⁵

In Chongqing, Bo particularly built up a reputation due to his “strike hard” campaign against organized crime. Under Bo’s leadership, his police chief Wang Lijun – whom he had brought with him from Liaoning province – carried out a draconian crackdown on Chongqing’s organized crime. About 6,000 people were detained between 2008 and 2009, among them leading local officials, police officers and wealthy businessmen. According to the South China Morning Post, local triad leaders put a bounty of six million RMB on Wang’s head.²⁶ Wang was later hailed as a national anti-triad hero and was appointed as a member of China’s National People’s Congress. For his part, Bo Xilai earned a national profile through this concentrated war on criminality in Chongqing, accompanied by a “red revival” campaign²⁷ and an egalitarian political programme including “traditional” socialist practices like the mass singing of old Maoist-era songs. Therefore it is not surprising that many observers saw him as being on the threshold of China’s innermost power circle. Bo’s rapid rise led to harsh factional reactions, however. At present, he is thought to be under house arrest.

²⁴ See Kühl, Christiane: “Chinas Problemelite”, in: *Financial Times Deutschland*, April 25, 2012; Ho, Wing-Chung (2012): “The Rise of the Bureaucratic Bourgeoisie and Factional Politics of China”, in: *Journal of Contemporary Asia*, 42, 3, pp. 514-521.

²⁵ See Baidu, “Bo Xilai”, <http://baike.baidu.com/view/5779.htm>, and China Vitae, “Bo Xilai”, www.chinavitae.com/biography/Bo_Xilai/bio (accessed on 2012-08-08).

²⁶ See Zhai, K.; Choi, C-Y.: “Bo’s crimebuster investigated”, in: *South China Morning Post*, February 9, 2012.

²⁷ See Li, Eric (2011): “Singing Red. On Maoist Nostalgia”, in: *New Perspectives Quarterly*, 28, 4, pp. 36-39.

Bo's wife Gu Kailai is a lawyer and businesswoman. Her case sheds light on the behaviour of China's economic elites and their enormous ability to accumulate wealth. Gu is said to have brought millions of US dollars abroad, probably with the support of Neil Heywood, a British citizen whom she presumably had known for quite some time. Differences between them are said to have arisen because Gu feared that Heywood would betray her.²⁸ Allegedly, he threatened Gu by telling her that he could circulate documents concerning her (illegal) financial transactions and "destroy" her son, who at that time was studying in the UK; as a result, she ordered one of her employees to poison him in November 2011.²⁹

The assets of the Bo and Gu families are concurrently under investigation. So far, one of Bo's brothers who – under the false name of Li Xueming – acted as director and vice-chairman of China Everbright International Ltd., a state-owned enterprise under the Chinese State Council, resigned in April 2012. According to Bloomberg News, "...he sold 12 million shares in China Everbright in 2010 and 2011, cashing out 43.2 million HK dollars (5.6 million US dollars)".³⁰ One of Gu's sisters, Gu Wangjiang, was listed as director of no less than nine companies. A check of the annual reports of the companies found that her shares in just one case were worth more than 700 million RMB (110 million US dollars). Thus, while Bo Xilai's official salary as Chongqing Party Secretary was about 10,000 RMB a month (1,580 US dollars), his relatives accumulated wealth in the order of well over 100 million US dollars.³¹

In conclusion, specific social groups – in this case the so-called "princelings" – have been able to gain enormous, often disproportionate and uncontrolled wealth. At the same time a lack of transparent procedures makes it possible to accuse them of bribery or fraud in order to dispose of them as (political) competitors.

4.2 The fragmented power structure

The process of liberalization in China since the 1980s has significantly widened the operative scope of administrative levels below the central government. Competences have been shifted to provinces, municipalities and counties in order to foster economic development in accordance with the needs of each specific locality. This has enhanced the opportunity of actors at the local levels to manoeuvre and bargain with superior administrative echelons. Hence, the levels below the national level today enjoy not only greater leeway in shaping and implementing policies, but are

²⁸ *Huashang Bao*, May 15, 2012; *Beijing Qingnian Bao*, August 11, 2011.

²⁹ "Details emerge about the death of Neil Heywood", in: *China Digital Times*, April 18, 2012, <http://forum.dwnnews.com/threadshow.php?tid=916253> (accessed on 2012-05-20). On the issue of Heywood threatening Gu's son, see *Beijing Qingnian Bao*, August 11, 2012.

³⁰ "Bo brother resigns from Everbright as son defends lifestyle", www.bloomberg.com/news/2012-04-25/bo-xilai-s-brother-resigns-as-vice-chairman-of-china-everbright.html (accessed on 2012-08-05).

³¹ *Ibid.*

also able to focus on the protection or promotion of local socio-economic interests. What is more, for any official in China, promotion within the hierarchy (*nomenklatura*) is an important concern and requires proof of success. Local experiments (“models”) are important in this regard since they can demonstrate the innovative character of local leadership.³²

With regard to the Bo Xilai case, much has been written about the so-called “Chongqing model”.³³ The contents of this model can be briefly characterized as a type of neo-traditionalist authoritarianism with a preference for maximum state control, including dominance of the state sector vis-à-vis the private sector, a clampdown on deviance, a set of populist policies, and the glorification of a “red culture” marked by the collective singing of old revolutionary songs, for instance, or the abolition of advertising on television. The Chongqing model can be seen as one possible reaction to social problems that have resulted from the Chinese reform process since uneven levels of prosperity and inequality drive officials to find tangible (local) solutions by promoting social solidarity, among other things, and by referring to a spirit of national unity and the ideal of equality. The Chongqing model is also a (populist-based) reaction of anger towards key institutions of a system that is perceived as performing inadequately. What is more, it provided a way for its representative Bo Xilai to gain visibility and to prove himself worthy of further promotion. Finally, in a wider sense, the Chongqing case is a populist movement that can be interpreted as a response to the manifold upheavals resulting from globalization and can be found in other places of the world as well, as Nathan Gardels has noted.³⁴ For some observers, therefore, Bo’s “model” stands for a “conservative turn in Chinese statecraft”.³⁵

The whole Bo Xilai scandal, however, also sheds light on different aspects of local leverage in China. According to the information available so far, Wang Lijun spent around 24 hours in the US consulate in Chengdu while police forces (probably from

³² See Xu, Chenggang; Zhuang, Juzhong (1998): “Why China Grew. The Role of Decentralisation”, in: Boone, Peter; Gomulka, Stanislaw; Layard, Richard (eds.): *Emerging from Communism. Lessons from Russia, China, and Eastern Europe*, Cambridge, MA: MIT Press, pp. 183-212; Zheng, Yongnian (2007): *De Facto Federalism in China. Reforms and Dynamics of Central-Local Relations*, New Jersey: World Scientific Publishing; Heberer, Thomas; Senz, Anja (2011): “Streamlining Local Behaviour Through Communication, Incentives and Control. A Case Study of Local Environmental Policies in China”, in: *Journal of Current Chinese Affairs*, 40, 3, pp. 77-112; Heilmann, Sebastian (2008): “From Local Experiments to National Policy”, in: *The China Journal*, 59, pp. 1-30.

³³ See Wu, Guoguang (2012): “China’s Recent Discussions of Political Reform and Leadership Responses”, in: *East Asian Policy*, 87, 4, pp. 87-95; Lu, Kevin: “The Chongqing Model Worked”, in: *Foreign Policy*, August 8, 2012; Feng, Xingyuan: “Gaige yao xun ‘tianxia moshi’” (Reform has to follow the “model under heaven”), in: *Caizheng (Finance and Politics)*, September 5, 2011, pp. 30-31; Cai Jianming et al. (2012): “Chongqing. Beyond the Latecomer Advantage”, in: *Asia Pacific Viewpoint*, 53, 1, pp. 38-55.

³⁴ See Gardels, Nathan (2011): “The Global Populist Revolt”, in: *New Perspectives Quarterly*, 28, 4, pp. 2-5.

³⁵ Lam, Willy (2012): “The Maoist Revival and the Conservative Turn in Chinese Politics”, in: *China Perspectives*, 2, pp. 5-15.

Chongqing) besieged it. Finally, at the behest of central authorities, Wang was not handed over to the Chongqing security forces, but was taken to Beijing and handed over to the CCP's Central Discipline Inspection Commission, which is now in charge of investigating both the Wang and Bo cases. In sum, both the conflict between Bo and Wang and Bo's "Sing red, smash black" style of politics indicate that Bo took Chongqing as his fiefdom and perpetrated massive injustice in the name of fighting crime. Only at a very late stage, after a major conflict had ensued and could not be solved within the boundaries of Chongqing, did higher authorities take over responsibility – a scenario also found in other local communities in China.³⁶ Interestingly enough, many people praised Bo for his radical crackdown against crime and in so doing supported at least certain elements of the Chongqing model.³⁷

All in all, the horizontal and vertical fragmentation of the Chinese system has led to some ambivalent results. On the one hand, local entities are granted greater discretion to implement policies according to specific local conditions, and local developments are based on a broad range of different priority settings, experiments and "models". This might well result in local development and therefore can be seen as a kind of "constructive" fragmentation. On the other hand, state security bodies and the military-industrial complex seem to be turning into semi-independent entities more and more, a "destructive version" of fragmentation which negatively affects the consistency of policies, most likely harms state-society relations and enables individuals to abuse their position, as Bo Xilai apparently did.

4.3 Aggregation of interest: rumours, access to information, and the relevance of Internet and social media

From February 2012 onwards, many rumours circulated on the Internet and in the international and Hong Kong media with regard to the Bo Xilai affair³⁸ due to a dearth of credible official information about the cases of Bo, Gu and Wang. It still has not been clarified completely whether Wang Lijun's decision to flee to the US consulate was connected with findings regarding the crimes of Bo's wife Gu Kailai or with his own suspected involvement in corruption during his time as police chief in Liaoning province. What is more, the background of speculations circulating in the media and on the Internet is often unclear regarding motives and origin by way of respective foreign or Chinese interest groups. Consequently, interpretations of the affair can be manipulated and it is often very difficult to distinguish between fact

³⁶ See Zhong, Yang (2003): *Local Government and Politics in China. Challenges from Below*, New York: East Gate, pp. 93-94; "Private Kingdoms Beget Nepotism", in: *The Economic Observer*, August 8, 2012, www.eeo.com.cn/ens/2012/0808/231514.shtml (accessed on 2012-08-08).

³⁷ See "Bo's brand of justice leaves time bomb for China", in: *The Asahi Shimbun*, August 13, 2012, <http://ajw.asahi.com/article/asia/china/AJ201208130107> (accessed on 2012-08-13).

³⁸ See Wang, Hui (2012): "The Rumour Machine", in: *London Review of Books*, 34, 9, pp. 13-14.

and fiction. This is aggravated by a lack of political and legal transparency on the part of the Chinese system. In addition, several websites – like the critical Chinese website *utopia* (wuyou zhixiang) – were shut down after the Bo and Gu cases became known, while certain foreign sites which are usually blocked were suddenly unblocked.³⁹ This situation is not a new one, however, since disinformation may well serve as a political instrument in power struggles.

What is far more interesting is the fact that at least some relevant information has surfaced. On the one hand, this can, of course, be attributed to the involvement of a foreign consulate at the presumptive starting point of the affair, making it difficult for the Chinese authorities to keep the available information under control. On the other hand, investigations of the financial situation and business activities of the Bo family members by Hong Kong newspapers and magazines like *Apple Daily* and *Next Magazine* have quarried relevant news.⁴⁰ The information was accessed through a collection of press releases in conjunction with a check of economic data on company websites or the formal registration lists of ownership available to the public. The findings basically show that information is available, at least in the economic context, and can sometimes be linked to the political sphere, as has been the case in many corruption charges worldwide.

With its 450 million users in China, however, the Internet in particular leaves an ambivalent impression. On the one hand, the government attempts to control use of it through “Internet police” or by means of data-mining software or hired bloggers; what is more, a parallel Internet cosmos has been created by domestic versions of international web-service providers such as Facebook, Twitter and eBay. On the other hand, the Internet is a source of information for both the general public *and* the Chinese authorities since it can be used as a feedback tool and early-warning system with regard to public opinion. Seen from this perspective, the Chinese Internet is not blocked and censored in all respects.⁴¹ Public interests can be articulated and aggregated to a certain extent, but this is carefully monitored by the authorities.

Nevertheless, it is a newish phenomenon that the Chinese people are closely following the “Chongqing incident”, which is being extensively and vigorously discussed, e.g. in micro-blogs. Cleavages within the political elite can no longer be obscured behind closed doors. Without a doubt, the Bo case has reinforced the discussion on law implementation, public control and the lack of transparency. Bo’s downfall has also triggered a discussion about further political and legal reforms, the

³⁹ Ibid.

⁴⁰ See the feature about the Bo family in *Next Magazine* (*Yi zhou kan*), February 6, 2012, pp. 52-55.

⁴¹ See Yeo, George (2012): “Yin and Yang. Sina Weibo and the Chinese State”, in: *New Perspectives Quarterly*, 29, 2, pp. 7-9; Keane, John (2012): “China’s Labyrinth. The Rise of Monitory Democracy”, in: *New Perspectives Quarterly*, 29, 2, pp. 10-12.

set-up of a constitutional supervision committee under the National People's Congress and administrative law reforms.⁴²

4.4 Claim to power: conceptual face-offs

One important aspect of the Bo Xilai scandal is a political controversy about the direction in which China should proceed. The core structural, political problems today include the increasing power of certain interest groups, societal forces of disintegration, a lack of channels for conflict resolution, an impasse in the reform of the legal system, and a lack of checks and balances. Different views exist among the political leaders regarding answers to these problems. The perceived scale of social problems triggers apprehension within the leadership that a situation might arise where "a single spark [could] start a prairie fire", as Mao once noted. Accordingly, there is dissent on how to deal with "divergent opinions" and open criticism. The range of opinions hovers between more repressive and more discursive measures. Correspondingly, sanctions against civil-rights activists and critics of the system take a cyclical course. International events (such as the Olympic Games in 2008 or the "Jasmine Revolutions" in the Arab countries) or national events (like the riots in Tibet in 2008 and in Xinjiang in 2009) can trigger a "phobia spiral". In late April 2012, for instance, Zhou Yongkang, security chief and member of the Standing Committee of the Politburo, argued that social control and social management should be strengthened (meaning that dissidents, the Internet and NGOs should be observed more strictly).⁴³ Almost simultaneously, a commentary in the Party's daily newspaper *Renmin Ribao* argued in favour of allowing greater leeway for divergent voices and even quoted French philosopher Voltaire with the words "I do not agree with what you have to say, but I'll defend to the death your right to say it".⁴⁴ The commentary referred to a speech by Wen Jiabao on the occasion of a meeting with Chinese intellectuals in May 2011. In his speech he called upon intellectuals to express their critical voices in the interest of solving China's core problems and said that they should not let themselves be discouraged from being critical.⁴⁵

Thus, flourishing discourses on China's political future are widespread within the country.⁴⁶ One prominent position, particularly among intellectuals, argues that

⁴² See, e.g., *Zhongguo Xinwen Zhoukan* 9, 2012, <http://xinwang.fydz.cn/art/1046723.htm> (accessed on 2012-06-05); Hand, Keith (2012): "Exploring Constitutional Reform in the Wake of the Bo Xilai Affair", in: *China Brief*, 10.

⁴³ See Zhou, Yongkang (2011): "Jiaqiang he chuangxin shehui guanli, jianli jianquan Zhongguo tese shehuizhuyi guanli tixi" (Strengthen and innovate social management, build a complete administrative system with Chinese socialist characteristics), in: *Qishi (Truth)*, 9.

⁴⁴ *Renmin Ribao*, April 28, 2011.

⁴⁵ The speech can be downloaded at www.youcheng.org/pages.aspx?val=1904 (accessed on 2012-05-20).

⁴⁶ See Zheng, Yongnian (2012): "Anger, Political Consciousness, Anxiety, and Uncertainty", in: *Asian Survey*, 52, 1, pp. 28-41; Shambaugh, David (2009): *China's Communist Party, Atrophy and Adaptation*, Berkeley, Los Angeles, London: University of California Press, pp. 41-86.

fundamental contradictions between the political, economic and intellectual elites are currently absent. The economic elites (entrepreneurs and managers) are primarily interested in calm and successful entrepreneurial activities and less in advancing democracy. But China's economic trajectory, the negative effects of the breakdown of the Soviet Union, Western anti-China sentiments and the inclusion of intellectuals in political decision-making processes and discourses in recent years have modified the stance of many intellectuals towards the CCP. Citizens, so they argue, are primarily concerned with improving their living standard and solving everyday problems. They therefore accept the current political system even in the face of corruption, unemployment and growing social inequality.

Four lines of political reform are currently being advocated in major intra-party discourses:⁴⁷

- 1) Intra-party democratization has priority over societal democratization; decision-making processes within the CCP must be democratized via competitive inner-party elections. Democratization of society would currently be impossible without a democratization of the party, its structure and its institutions.
- 2) Democratization must take place gradually and from the bottom up; grassroots elections in villages and urban neighbourhood communities should be elevated to the township, county, city, provincial and finally the central level, thereby initiating a democratic bottom-up process.
- 3) Liberalization must be based on a sound legal system; a well-functioning legal system is a vital precondition for more liberality and political change.
- 4) Rapid political reforms should take place from the top down in order to solve key issues; that is, democratic structures should be enforced top-down, i.e. by the state, in the near future in order to curb corruption and bring more equality into society.

In a different direction, the "Charta 08", drafted by 300 oppositional Chinese intellectuals under the aegis of former philosophy professor Liu Xiaobo (an author and civil-rights activist who was sentenced to 11 years in prison at the end of 2009), was signed by more than 10,000 people on the Internet. It demands a fully fledged democratic system without explaining how this might be achieved. Many items of the Charta have been discussed publicly for quite some time, even by intellectuals close to the CCP. What is new is the totality of the program. Without a doubt, the Charta is an expression of many intellectuals' discontent with the slow progress of political reforms. However, the Charta does not say in detail how the program should be implemented. Even Liu Xiaobo has conceded that he does not see any political force that could change the political system in the short run and that

⁴⁷ Huang, Weiping (2002): "Quanqiuhua yu Zhongguo zhengzhi tizhi gaige" (Globalization and the reform of China's political system), in: Huang, Weiping; Wang, Yongcheng (eds.): *Dangdai Zhongguo zhengzhi yanjiu baogao* (Research report on China's current politics), I, Beijing: Shehui kexue wenxian chubanshe, pp. 21-30.

China's political transformation would have to be a gradual, long-lasting process full of twists and turns.⁴⁸

Intellectuals closely linked to the party are pondering China's political future, too. Yu Keping, an advisor to the CCP leadership and one of the most prominent Chinese intellectuals, argued in his seminal and popular book "Democracy Is a Good Thing" that democracy is a positive phenomenon and on a global scale without doubt the best among all political systems developed by humans. But *how* and in what manner China could achieve this goal remains a crucial issue since it would be extremely difficult to establish a stable democratic system under the current complicated and heterogeneous structures of China's transformation.⁴⁹

The "New Left", another critical and heterogeneous movement, denounces the neoliberal policies of the party's leaders and blames them for the growth of inequality, corruption and privatization. An unbridled market economy, the privatization of state property and globalization are core evils which should be combatted with the help of Mao's political teachings. A collusion of the party's elite with economic interests would lead to exploitation of the country. The "New Left" opposes the "liberalism" of the "Charta 08" and accuses it of representing US interests.⁵⁰ The removal of Chongqing's Party Secretary Bo Xilai – who in a sense served as a spearhead of the "New Left" – was a heavy blow to this movement and its rather populist convictions. For Wang Hui, one of the prominent representatives of the "New Left", the dismissal of Bo Xilai and the current handling of dissent aims "...to clamp down on political freedoms in order to make it easier to drive through deeply unpopular neoliberal measures".⁵¹

The name "New Left" does not come from the group itself, and many would not characterize themselves as "New Leftists"; in fact, it goes back to an academic debate that was triggered in the late 1990s by an article about the "mental situation in contemporary China and the nature of modernity". The "New Left" is composed of scholars with different research interests and illustrates the influence of Chinese intellectuals on political discourse.⁵² What is interesting is that several intellectuals ascribed to the "New Left" have spoken out in favour of the Chongqing model and have been visiting scholars at Chongqing University. All in all, the "New Left" –

⁴⁸ Liu, Xiaobo: "Tongguo gaibian shehui lai gaibian zhengquan" (Changing the political regime by changing society), www.observechina.net/info/artshow.asp?ID=65195 (accessed on 2012-06-05).

⁴⁹ Yu, Keping: *Minzhu shi ge hao dongxi* (Democracy is a good thing), ed. by Yan Jian, Beijing: Shehui kexue wenxian chubanshe, 2006; the English version is Yu, Keping (2009): *Democracy Is a Good Thing*, Washington, D.C.: Brookings Institution Press.

⁵⁰ Compare, for instance, Li, He: *China's New Left and Its Impact on Political Liberalization*, www.eai.nus.edu.sg/BB401.pdf (accessed on 2012-04-12); Xu, Youyu: "Dangdai Zhongguo shehui sixiang de fenhua he duili" (Cleavages and antagonisms in social ideologies in present-day China), http://blog.sina.com.cn/s/blog_475942ab01000b7s.html (accessed on 2010-04-12).

⁵¹ Wang, Hui (2012): "The Rumour Machine", in: *London Review of Books*, 34, 9, p. 14.

⁵² See Freeman III, Charles (2012): "Wen Jin Yuan. The Influence and Illusion of China's New Left", in: *The Washington Quarterly*, 35, 1, pp. 65-82.

which is sometimes also characterized as “neo-conservative” – represents a strong nationalist and conservative attitude concerning behaviour towards neighbouring countries, a regression in domestic policies and a retreat to a more closed, state-led economy. All this would have far-reaching implications for China’s international partners and would run contrary to the policies of the majority of the central leadership.⁵³

The opponents of the “New Left” are usually labelled “(Neo-)Liberals”. Again, several professors from leading Chinese universities can be counted among this “group”, which argues against the Chongqing model and favours the “Guangdong model” instead. The latter can be characterized as a liberalized form of authoritarianism with greater emphasis on the legal system, administrative performance, enhanced participation, sustainable environmental policies and – on the whole – “harmonious” foreign relations.⁵⁴

However, the social problems which both models have highlighted as significant and the pressure to find tangible solutions are still on the agenda, and there is no evidence that either the Guangdong or the Chongqing way would be more successful in finding appropriate solutions.

To sum up, vehement disputes have already been going on for some time within the political leadership, the Party and among intellectuals about China’s further reform path and the solution of its core problems. Bo Xilai, a visible representative of one specific position, tried to gain *political* recognition for a concept that had previously been debated, for the most part *academically*. In this regard, the Bo Xilai affair is the manifestation of dissent between different positions within the political sphere. An outspoken politician, he opted for a leadership style which presumably was incompatible with the currently dominant manner of collective consensus-building among the highest echelons of the party-state.

5. The challenges ahead

Currently, China provides a rather ambiguous picture: on the one hand, we find successful economic development, which is increasingly bringing about prosperity for the majority of the people – a process that has spawned an emergent middle class – and on the other hand, we find an authoritarian party-state, which deals rigidly with political dissent, social protests and social movements. In contrast to growing pessimism among many Chinese intellectuals due to the lack of long-overdue political reforms, governments and individuals at the local level – the practical

⁵³ See Godemont, Francois: “China at the Crossroads, European Council on Foreign Relations”, www.ecfr.eu/page/-/ECFR53_CHINA_ESSAY_AW.pdf, p. 5 (accessed on 2012-05-20).

⁵⁴ “Canzheng yizheng de Guangdong moshi” (Political participation and political discourses in the Guangdong model), <http://news.sina.com.cn/c/2011-04-20/15372232> (accessed on 2012-05-20); Feng, Xingyuan: “Gaige yao xun ‘tianxia moshi’” (Reform has to follow the “model under heaven”), in: *Caizheng*, September 5, 2011, pp. 30-31.

political arena – are concerned on the whole with finding solutions to urgent local problems such as fiscal woes, land-grabbing, social security, poverty reduction, improvement of the infrastructure and environmental degradation.

Without a doubt, the cleavages within Chinese society are tremendous. It is, therefore, difficult to predict the direction in which China will proceed over the coming decade. This undoubtedly will depend on the country's domestic development. As long as the economy booms, the living standard of the majority continues to rise, and participation can be enhanced, social and political stability may be preserved and China may increasingly become a trustworthy and responsible international partner. At the same time, however, it is easy to imagine the negative consequences which a failure of the Chinese state could bring about.

Gradual political reforms are indispensable in the interest of social and political development. These include an enforcement of the rule of law and citizens' rights, fostering a new societal consensus, and new patterns of efficient social management. To keep Chinese society from falling apart, solutions must be found for burning issues. This is a point which the Chongqing model has put on the political agenda and it is crucial for further progress. Thus it has become a "must" for the political leadership to offer some solutions after the Bo Xilai affair; both the party members and the people are waiting for structural reforms. Whether a new leadership will be capable of providing fresh answers to these questions after the 18th National Party Congress is a crucial issue and will decide whether the CCP is to erode into an increasingly predatory system controlled by vested interests and an interplay of economic and political entrepreneurs, or whether it is capable of further institutional adaptation and structural political reform.