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## BRIEFINGS

### China's other face

## The red and the black

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**As the People's Republic celebrates its 60th birthday, the gangsterism the communists boasted of vanquishing has staged a comeback**

Getty Images



SHORTLY before the 60th anniversary of communist China's founding on October 1st, police in the south-western city of Chongqing opened an unusual exhibition. On display, to invited guests only, were 65 luxury cars formerly owned by the bosses of the city's crime gangs as well as an assortment of jewellery, guns and drugs. Chongqing, the wartime capital of China, had been a hub of organised crime in pre-communist days. Now the gangs are back, with roots in the party that almost wiped them out six decades ago.

In Beijing the huge military parade on October 1st, China's first in ten years, was intended to show off a modern, powerful face. The country's leaders had reason to flaunt their stuff this year. Not only has China made enormous economic and technological strides since 1999, but it has also weathered the global financial crisis with remarkable resilience. Officials had worried that widespread lay-offs in export businesses could lead to social unrest. But, apart from bloody rioting in the far-western region of Xinjiang in July, fuelled mainly by ethnic rivalry, the past few months have seen no obvious increase in the number or scale of protests.

As is evident in Chongqing, however, China has another face. Although central authority appears strong, at the local level public anger is boiling. Double-digit economic growth for much of this decade has highlighted how corrupt and dysfunctional local government has become. The campaign against organised crime launched by Chongqing in June demonstrated just how prone China remains, after all those years of Communist rule, to the age-old scourge of collusion between bureaucrats and gangland bosses. For many Chinese, life is vastly more affluent now than it was when the Communists came to power. Decent health care and education are far easier to get. But confidence in local government is threadbare.

Corruption, some Chinese officials argue, is an inevitable by-product of rapid economic growth. But the cumbersome structure of local government in China also helps it flourish. For centuries Chinese rulers have pondered how to extend power across such a vast country. In recent years many have debated whether part of the problem lies with there being too many tiers of government—China has five, compared with three in America. Some advocate cutting one or two layers. This adds to a sense that, after 60 years of rule, the party is still unsure how best to govern.

It has tried in the past decade to make local legislatures more representative by admitting members of the newly emerging business elite. But its half-baked moves—involving the same old system of patronage rather than anything resembling democracy—are now widely blamed for encouraging the spread of organised crime. Chongqing has become a celebrated, but by no means unique, example.

At village level, a cautious experiment with democracy in the 1990s led to frequent local power-grabs by gangsters or by party officials in collusion with them. This has been democracy only in name. Criticising the party is still never tolerated. The job of local governments is not made easier by a flawed mechanism for sharing tax revenues between the centre and sub-national governments. This leaves many local authorities with huge responsibilities for providing public services, but without the wherewithal to carry them out. In poorer parts of China, they often find it hard even to pay their own staff. Yet, in the absence of any proper public oversight, bureaucracies keep growing.

Chongqing's mafia problems have come to light only thanks to the local government's decision to give its crackdown on gangs a publicity splurge. (Details of the recent exhibition, however, are known only because a Chinese reporter sneaked in and spread the news in *Time-Weekly*, a newspaper published in the southern province of Guangdong.) But gangsterism is ubiquitous. Especially in the past decade, local governments have staged frequent anti-mafia campaigns. Thousands of gangsters are rounded up every year. The southern island-province of Hainan, for example, launched a year-long round-up in February. Streets there are festooned with slogans calling for gangs to be smashed and guns to be handed over.

Chongqing's latest campaign, however, has aroused particular attention because it has been directed, unusually, at the kind of people who count: the wealthy businessmen and powerful officials who control the gangs and enable them to flourish. Of some 2,000 people detained so far, several are senior officials, including Wen Qiang (pictured), the head of Chongqing's justice bureau. Dozens are police officers. Some are prominent businessmen who served in legislative or advisory bodies. Press reports say that the campaign will be extended after the National Day holiday into Chongqing's county towns, around the reservoir stretching 660km (410 miles) behind the Three Gorges Dam. Chongqing, though called a municipality, is in effect a province with a population of 30m covering an area the size of Scotland. Its capital is also named Chongqing.



Imaginechina

Justice being seen to be done

The man behind Chongqing's ambitious drive against the mafia is its party chief, Bo Xilai, who appears to enjoy enormous political confidence. Mr Bo, who sits on China's ruling Politburo, is a charismatic member of a new generation of leaders who are due to assume power in Beijing in 2012. Without his clout, many residents believe that Chongqing would have found it far more difficult to wage war on the mob. Mr Bo took up the post two years ago, having previously served as China's commerce minister and before that as the governor of the north-eastern province of Liaoning. Many wonder whether his clean-government drive is intended to burnish his credentials in a looming struggle for power. He is the son of Bo Yibo, one of China's late revolutionary founders—hardly a handicap to his ambitions.

According to reports in state-controlled newspapers, Chongqing's gangsters operated in a wide variety of businesses, from the wholesale seafood trade to nightclubs and moneylending. They controlled a private bus network, now taken over by the government, which in recent years had become a popular alternative to state-run transport. Then there is the usual fare of drugs and prostitution. These have been bad weeks for the city's entertainment industry and night-shift taxi-drivers.

The crackdown has exposed how wealthy businessmen used their positions in local legislative and advisory bodies—people's congresses and political consultative committees, as they are known—to boost their prestige and gain access to officials. A few years ago China's entrepreneurial class was far more politically marginalised. Only in this decade have its members even been allowed to join the Communist Party.

Chongqing is the biggest example to come to light of what is sometimes dubbed "red-black" (ie, communist-mafia) collusion since a huge round-up in 2000 of gangsters in Shenyang in the north-east. That resulted in the executions of a former legislator and businessman and of a deputy mayor. The city's mayor, who was also implicated, is now serving a commuted death sentence.

But experts say much has changed since then. A recent book on organised crime, produced by a police-affiliated publishing house in Beijing, says that in the past decade underworld gangs have been evolving at an accelerating pace, with some beginning to operate internationally. The author, He Bingsong, writes that they have fuelled an "unprecedented" rate of growth in criminal activity in China since the turn of the century: "Some have even taken control of grassroots government, or treat government as their equal."

## Quis custodiet?

China's press usually reports crime stories only when the police are ready to provide details, which is rarely until suspects are caught. Crime statistics are too vague to rely on. But anecdotal evidence lends weight to Mr He's assertions. Journalists reporting in rural areas frequently find their attempts to investigate stories blocked by thugs, apparently acting on the orders of local officials. In the past few years reports of clashes between citizens and government-hired goons have been ever more frequent. Grumbling about "black society" has become part of everyday conversation.

Outside Chongqing's lavish new police headquarters a dozen angry citizens crowded around your correspondent, showing him pictures of faces bloodied by people they alleged were gangsters hired by officials to force them from their homes to make way for a building project. The victims also showed the pictures to a policewoman in a reception room at the compound entrance, where Chongqing citizens have been invited to submit any complaints about gang activity. She told the petitioners to report the case to their local police station, ignoring their objection that the local police were themselves in cahoots with the criminals.

Mr He writes that gangs are infiltrating government at ever-higher levels, even into the senior reaches of provincial governments and central ministries. An obvious difference between modern gangsterism and its pre-revolutionary counterpart is that few gangs today are known by names—unlike the famous Green Gang, a powerful force in pre-communist Shanghai, or Chongqing's Robed Brothers, who controlled the city's opium trade and gambling. China before 1949 was a chaotic mix of competing political, military and criminal forces. In the far more monolithic political culture of today, home-grown gangs usually prefer not to give themselves names to avoid provoking the party. Named groups with their headquarters in Hong Kong and Taiwan, however, such as the Sun Yee On triad and the United Bamboo gang, also operate in China.

Throughout Chinese history, movements that have toppled dynasties have sometimes started as gangs and secret societies. So far, however, for Beijing, the "mafia-isation" of local government has not yet become a pressing nationwide problem. As long as it remains, in the public mind at least, a local issue, it does not feel threatened. Indeed it has benefited in recent years from a widespread perception among ordinary Chinese that the central party leadership is a benign force, and its valiant efforts to make China a just society are being subverted by local officials.

Fiscal reform in the countryside, culminating in the abolition of a centuries-old agricultural tax in 2006, helped boost the central government's standing even as it drained the coffers of many local governments. The centre has also made political hay from the rapid rolling-out of a new, if far from perfect, rural health-insurance scheme since 2003, and the abolition of rural school fees in 2006 and 2007.

The centre is not afraid to push any problems back out to the provinces. An obvious one is the stream of petitioners who head to Beijing to visit government offices to seek redress for abuses of power in their hometowns, an imperial tradition that the Communist Party has, through gritted teeth, maintained. Very few justice-seekers get more than a cursory hearing. Many are rounded up in Beijing by police despatched from their hometowns, sometimes tipped off by central-government officials. They are often held for a few days in unofficial detention in guesthouses known as "black jails", then sent back to their provinces. The centre appears to lose little by such high-handedness. Outside Beijing a bizarre belief persists: if only victims of official abuse can make their grievances known at the very highest level of the leadership, justice will prevail.

In the past couple of years central-government tolerance of whingers from the provinces has been strained almost to breaking point by its fears of instability during huge public events: the Olympic games in August

2008 and this year's National Day celebrations. In the build-up to both, petitioners have been summarily packed off home.

In August the central government said it would send legal experts to the provinces to help sort out petitioners' problems on their home turf. This is unlikely to help. There are already considerable incentives for local officials to keep them away from Beijing. Trends in the numbers of petitioners heading to the capital from a particular locality are used to judge the suitability of that place's leaders for promotion. But this has not stemmed a growing tide. One of the disgruntled Chongqing citizens outside the city's police headquarters was not afraid to shout that she would take her grievance to Beijing.

Hopes among some Chinese scholars and officials that an infusion of grassroots democracy might ease such tensions have largely been dashed. Li Fan of the World and China Institute, a private consultancy in Beijing, says that the experiment with village elections has "died" and the party's talk of expanding democracy within its own ranks, a big agenda item for an annual meeting of its central committee in September, is "empty words". The party, he says, now believes that eruptions of local discontent are best solved by a combination of force paying off demonstrators.

But some scholars see room for improvement at the local level, even without yet tackling the question of universal suffrage. With more resources and greater autonomy, some argue, China's 2,800-odd counties, mafia hotbeds though some of them are, could play a much better role in defusing local anger.

This year the central government launched a new reform that requires provincial governments to take direct responsibility for financing county governments instead of leaving the job to the tier in-between, the prefecture. In the past prefectural administrations have often siphoned off money destined for their subordinate counties. They also enjoyed a veto over large-scale county investment projects.

Counties are now supposed to enjoy greater power to decide for themselves. But again these reforms have been criticised as half-baked. County chiefs remain at the mercy of their prefectural-level superiors, who retain a critical say in county appointments. Without oversight, giving counties greater autonomy could spread corruption further.

Yu Jianrong of the Chinese Academy of Social Sciences says some political reform at the county level could be carried out without the need to change the national constitution, which allows only the indirect election of county leaders. County legislatures, for example, could be turned into full-time bodies, rather than convened, as at present, for occasional rubber-stamp duties. Legislators themselves could be chosen more democratically, instead of being installed by the ceremonial "election" of a party-selected list. If gangsters end up getting elected because of their vote-buying power, say some scholars, so be it. At least they will have to keep their electorate happy in order to hang on to their seats.

## Getting it off your chest

The central leadership is not entirely deaf to public opinion. In response to growing complaints about corruption, the party this year launched a new rating system to gauge public satisfaction with official appointments. The first results, based on a survey of 80,000 people conducted by the National Bureau of Statistics, were made public in May. On a 100-point satisfaction scale, the party's Organisation Department, which handles senior appointments, scored 66.84 points for tackling corruption and other wrongdoing in the appointments procedure, and 67.04 points for the people it chose.

According to the head of the Organisation Department, Li Yuanchao, these two numbers were the result of a year's work personally supervised by President Hu Jintao and Vice-President Xi Jinping. They are about as close as the party has come to announcing how popular it is in a statistical fashion. Officials say that the ratings must be "conspicuously" improved by 2012, when Mr Hu is due to step down. Many believe Mr Xi is due to take over from him, though the September central-committee meeting ended without awarding him the new military title he was expected to collect on his climb to the top. Behind closed doors, some officials have expressed worries about the satisfaction ratings, fearing that the party could find itself embarrassed should the numbers drop. Mr Li has told Organisation Department officials, however, that without such

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pressure "it would be easy to get satisfied and lazy."

As it is, though, party leaders show little interest in exposing even county-level leaders to the pressure of a vote, let alone themselves. One of the very few places where a flicker of political reform can still be detected is in Wenling, a city in the coastal province of Zhejiang. There officials have been experimenting with more open budgets, a departure from the normal practice of keeping these secret, with only bare outlines shown to legislators at the last minute before they are approved. But Wenling has been at it for several years now, with little sign of its boldness catching on elsewhere. At its annual meeting in March the national legislature did not even vote on the central government's massive economic stimulus, announced the previous November.

Some Chinese wonder in private how different the party's style of rule is from that of the Kuomintang (KMT), the party that ran much of China from the late 1920s until its overthrow by the Communists, and which maintained close links with gangsters. In Chongqing visitors to a reconstructed KMT prison on a hillside above the city delight in seeing slogans on the wall that recall the harangues of the party today. They suggest that hectoring sceptical citizens is part of a long tradition.

Earlier this year a lawyer in the southern city of Guangzhou was detained for several hours for sporting a T-shirt in public printed with the words "One-party rule is a disaster". He had a good defence. The slogan came from the headline of a newspaper run by the Communist Party itself three years before it established the People's Republic. After a mere three hours in custody and a warning that he had "made up rumours and disturbed social order", Mr Liu was on his way home—in a police car, lest members of the public read the writing on the shirt.



**Whose party is it anyway?**