

## The Communist Party in China

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### ABSTRACT

During the recent three decades, China has a high economic growth and this progress hadn't been realized unless by the policies of communist party. Communist party of China was established in July 1921. Communist party of China used to lead the people in hard battles since 1921 to 1949 and as the result, meanwhile it overthrew imperialism, feudalism and capitalism as well as bureaucratic, it founded people's republic of China. After founding the republic of China, communist activities intensified in China. Within 1937 to 1945, China communist party became peculiarly popular among people during second war of china and Japan and communists dominated continental part of China and nationalists retreated to the small areas in Taiwan, Peng Hu and Fujian Islands. Meanwhile maintain the independence and security of the country, the people led by communist party realized transferring the Chinese society from modern democratic society to socialists one and China's cultural and economic affairs achieved huge and unique developments. This study will investigate the role of this powerful party in china and development of this country.

### KEYWORDS

China, communist Party, economic reformations, Mao, Deng Xiaoping

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### Introduction

To perceive institutional developments in China, main historical developments of that country need to be investigated. Since 1949 that communist party led by Mao came to power in the country till 1978 which is the death year of Mao, a set of extremist policies were put in agenda. Cultural revolution was conducted in 1960 in the cultural and political fields which was in fact dealing with new generation of Chinese administrators and it resulted in clearing many of young managers (Pelino and Alton, 1996: 76). In the economic field also, China's government performed the program of big leap to develop the economy of the

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country. Within the mentioned scheme, the government forced twenty million young people lived in cities to go to villages and while they help industrial and agricultural development which had being done in form of mentioned scheme, participate in training communist course as well (Boleite, 1993: 909) but the results of mentioned schemes were catastrophic. In the process of cultural revolution, many of managers were purified, domestic gross production reduced for more than 25% and economic big leap led to the biggest famine in the history of China (Boleite, 1993: 909).

The other important reformations which were accomplished in China included growing democratic processes in the level of local communities and assigning administrative issues of villages to the rural people. The central planning system was gradually left and some councils were formed in villages in which villagers used to choose the members and they were given the responsibility of making decisions about all internal issues of the villages (Ho, 2002: 3-5). These reformations have been continued till current time as well so that “central committee of China’s communist party” has stated in the most recent version of its constitution (which was approved in November 14<sup>th</sup> 2002) that China’s communist party leads people to try for linking the country administration to the law as well as administrating the country through moralities (Ho, 2007: 42 quoted by central committee of communist party in china, 2002). Practically by giving authority to local governments, not only China hasn’t imposed the rules top-down but also has given authority to local governments and this has led to manifestation of people’s wishes, motivations and participations in communities’ decisions. In fact, local norms form the rules of action. Hence; these types of decisions in local part won’t face problems in the accomplishment.

Gansky means the relationship (blood, geographical and work) among people (Ho, 2007: 55). According to Ho, like relative groups in Ghana, Gansky communities have also many social and economic functions in china and in fact, they are a bridge between traditional Confucian ideas and real life of Chinese people. They involve a group of local people which hasn’t been formed merely based on macro or cycles of relativeness in traditional society but follow different principles such as particular behavioral rules, ethnicity, religiosity, territory and language. Morality factor in this type of system is more important than hereditary and genetic factors such as blood relationships that means social links are more important than hereditary relations (Ho, 2007: 32). By formation of local democracy in villages whereby the villagers were let to make decisions about local issues based on local norms, administrating this type of institutions became autonomous though particular forms of autonomous structures among mentioned institutions are completely different from each other (Ho, 2007: 28). According to him, the root of continuity of abovementioned institutions in China is in culture, customs, traditions and moralities. Communication networks of farmers 4 is also another unofficial institution and some of its functions are considered as making relationship and link among the families, creating stable

relationships, formation of purposeful network and mutual transaction network (Ho, 2003: 121).

There is a new structure of new policies in China's rural areas which is formed by people cooperation and is performed by village and office. IVWC in fact represents a long-term contraction relationship between the office and village in all economic, social, political and cultural aspects. The goal of entrepreneur of creating such a new structure is to prepare family measures to affect the attitude of office's workers about working in the office. They work in their family jobs and the employer isn't merely responsible for developing his own company but he is more responsible for social issues to develop the village. Mentioned structure is a combination of social and cultural factors and turns the firm to a very influential social institution in the area. The entrepreneur also expands his control beyond the office and supervises the village with different cultural forms. In fact, IVWC is the natural result of institutional reformations that the entrepreneur has conducted in an institutional environment and cultural native bed in micro level in order to promote economic efficiency through reducing exchange costs as well as create desired order and efficient measures in local community (Ho, 2007: 35-38).

The policy makers used to make decisions concentrated and a particular focus was the origin of these decisions of if Western democracy method had been founded, these results would have not been realized definitely.

The norms and values of China are compatible with development and in its development process, China has relied on mentioned values and norms. As Strom the winner of Nobel prize says: ... in previous experimental researches, the necessity of creating appropriate institutional rules with determined social - ecological status has been emphasized.

### **Character orientation of Deng Xiaoping and developmental components in the party**

Deng Xiaoping caused a huge development in China creating a developmental system. This developmental system should be seen in training elite and management workforces to be in charge as well as in time displacement and youth in political system of this country.

In investigation of economic development factors and dynamicity of that in China, political system features and training their leaders and change of communist party's leaders approach and above all Deng Xiaoping in coping with national and international realities have to be noticed. Deng's foresight in paving the way for economic development in the country and creating and training elite and management workforces in political system of this country that can well continue the trend of China's development in later periods considering the needs of China and the realities of international system in each period and go ahead in each period more powerful than previous one, was a tradition that was established by Deng in this system and the following leaders

continued it and that foresight was that each generation prepare next ones for training and being in charge.

The important feature which exists in each generation compared to the previous one is that each generation has been more professional (more technocratic) and liberal, of course not as its western concept, global and flexible, efficient in economic, cultural, social, economic and international fields compared to its previous generation despite each one of China's leadership generation has had their own particular features, tastes and characteristics. For example, first generation (Mao) was very ideological generation and second one was a pragmatic generation and third one was realistic and the fourth one was neo-realistic which are called nationalist realists; but the common ground of these periods and their leaders is that despite different attitudes and tastes of these leaders, whatever we move from first generation to the fourth and fifth one, China get a new manifestation in national and international scale and gets more power in different fields.

By coming to power with socialism thought with Chinese feature and with the approach of changing economic system and management system of this country, Deng Xiaoping could convert China to an economic and commercial power in international scale. In several levels of economic reformations and through structural reformations in different sections and fundamental ones in the economy of China and above all four modernization program, which included modernization in agriculture, industry, modernization in sciences and technology and modernization in army, he caused the economic boom of China and turning this poor and traditional country to one of economic poles of the world so that annual growth rate of GDP (domestic gross production) of China, which was averagely 5.3% before his arrival, reached to averagely 9.2% within 1979-1991. Meantime, real growth rate of China's export also reached averagely 12.5%.

Undoubtedly, a major part of economic progresses should be considered in modern thoughts of Deng Xiaoping the architecture of reformations in china.

Deng Xiaoping invited stockholders and technology to China by the thought of open doors and that meant opening domestic economy of China toward exploiting the facilities and tools which were served by developed countries of that time. It can be generally said that economic indexes of Deng's economic model had been based on economic rationality, freedom of foreign investment, activating private section, using west sciences and techniques, promoting conciliatory relations with the West, increasing the flexibility of governmental managers and more focus on global markets.

Some of personality and management characteristics of Deng which led to creating a developmental system and major development in management and leadership system of China include:

*Pragmatism:*

One of Deng's characteristics was his pragmatism. By discussing his well-known motto, which is whether the cat is black or white isn't important, if he catches mouse, he will be a good cat, he appeased the victims of cultural revolution and since the late 1970, the intellectuals, including scientists and engineers, technical specialists were announced as a part of worker class. Thousands of scientists and university professors who had been sent to villages as bourgeois and pro-poor ideas during cultural revolution, were returned to their main working conditions and they got their scientific titles again and scientific and technical power of people were considered as the criterion of promotion instead of their political and belief characteristics. Experienced researchers, scientists and managers were given necessary authorities for doing the tasks, their monthly salary increased and some bonus were considered for more and better work and innovation and the tests of universities were also held (Omidvarnia, 1991: 128).

*Elitism:*

One of other characteristics of Deng is his elitism. In a period of time, it can be seen that technocrat elites have occupied the place of ideological elites. He expected technocrat elites to realize rapid economic growth. All sections of Deng works are full of his admirations of technocrats, technology and all people who work for optimal use of natural resources. In the years of first decade of 1980s, Deng and other non-repentant followers of capitalism widely tried to bring youth orientation, attract expertise personnel in scientific and technical fields and the former victims of cultural revolution (Shahandeh and Tahaei, 2004: 154).

After becoming in charge, Deng left the motto of being red is better than being professional said by Mao and focused on expertise more. He had reminded several times that a committed person to communist ideal should be expertise but an expertise person shouldn't be necessarily committed to the ideal (Tabrizi, 2004: 245).

*Constructionist and anarchist:*

Deng is considered as anarchist leaders who make changes. Like other change making leaders, he generally tended to change society by the help of ideas and he followed an ideological instruction for social reformations. Deng turned ideology to the motives for experiencing instead of the guide for action because anarchist and change making leadership is necessary to control a developing country. As the experience of east Asia has shown, the government can be a powerful change making force for social political reformations providing three conditions. First, the government has to have powerful hand in the issues (referent government). Second, it has to have a clear instruction and third it has to rely on motivated worker class.

(Shambaugh, 1993: 468) Deng regularly adjusted making the international role of China non-revolutionary. He stopped supporting foreign revolutionary movements in east south Asia, south Asia, Africa and communist parties

following Mao which were scattered around the world and likewise he left anti-capitalist rhetoric in his speeches (Garo, 2009, 95).

*Realism:*

Deng believed that the reality is the only criterion for the truth. Truth or holy target doesn't stay stable in any concept but it gets policy because the target can be fluid and vary so tool and action can be also diverse. By this well-known sentence, Deng released himself from Marxism ideological dogma forever; but in fact, Deng was the same from the beginning. He never followed rigid party rules even in the years of 1930s but he used to behave differently based on objective necessities that was sometimes contradictory because due to naturally different activities, there wasn't a regular harmony in his political life (Shahande and Tahaei, 2004: 131) and all of these are somehow driven from Deng's realism in which he shows different reactions to the flows in different periods.

*Consensus-driven:*

As a superior leader, Deng's method was consensus-driven with other low-ranking leaders and his subordinates and during that the decisions used to be made collectively. This method was because Deng wanted to investigate the issues more deeply and clearly and cope with them as some types of main case. (deductively) while Mao was more interested in forming policy through doctrine and in a dialectic and arbitrary (inductively) method. The other reason was that Deng wasn't afraid of assigning the authorities. He had done this in all around his authority period. He had revised his 10-year of being secretary-general since 1956 to 1964 in a speech in the fifth annual meeting of central committee in 1980 when this secretary-general was revived.

One of main points considered by Deng that has main role in reducing the pressure on central bureaucracy of this country, is decentralization and delegation of authority to managers that used to be performed especially in socialist framework of market through reducing central systems' bureaucratic interference (the group of researchers, 2001: 31). Due to this, meanwhile maintaining the control of government, a significant part of party and central government power in economic issues used to be assigned for state governments and municipalities. Although high saving rate and controlling currency rate were still the result of central government's policies and were controlled by government, in other cases, the local units were given autonomy to the great extent to make decisions about performing these policies and achieving their goals. (Seif, 2005: 42-43) decentralization became generally tangible since 1984.

*Nationalism:*

Another characteristics of Deng is his nationalism, the one which he uses as driving engine to promote economic development. In Deng's period when communist ideology was destroying, nationalism was let to fill this blank and turn to China modernization engine. In these conditions, patriotism used to be

imagined as a part of national spirit which represented the benefits of government and national will. (Matyl 2005: 143) in fact, Deng used the feature of nationalism due to a type of patriotism sense based on effort to keep the territorial integrity and following national benefits as best as possible. Due to this, he used it in case of territorial integrity and taking lost lands of China back as well as the restoration of their right to territorial disputes with neighbors and also crackdown against domestic separatists.

*Legalism:*

A type of legalism can be seen in China during Deng's period so that a legal system had been restored that one of its main reasons was experiencing illegalities in Mao's period which caused formation of a public consensus to create a socialist legal system. Although these efforts didn't actually make a society relying on law government, some progresses were accomplished in some subjects and law superiority was gradually created. Socialist law system recognized the right of people governance and reestablished it. It restored the component of rules' superiority and created a limited system to separate power, inspection and balance. Many of executive and judicial rules were set during this period of time and executive monitoring system was established to monitor governmental people and organizations (Guo, 2003: 13).

*Anti-corruption:*

China has never been far from corruption. Since it appeared as a socialist system in 1949, corruption became always as a major source for internal dissatisfaction especially when this country started its economic growth, this issue got more importance then. Deng has his well-known sentence in this field; when you open the window to have fresh air, the flies will also enter the room, there are two ways in front of us; one is closing the window and being deprived from fresh air and the other is opening the window and using fresh air and meanwhile fighting against flies inside the room and China chooses the second method (Masoumi far, 2007: 39).

*Foresight:*

One of Deng's masterpieces during his long period of political careers in army, government and party was training and creating a network of his allies and affiliates that were scattered in all around high levels of administrative and party system of China and it let him to form a powerful and coordinated coalition with a clear majority in the Central Committee and political office of China communist party. Despite this personal influence, Deng preferred not to be interested in supreme positions such as leading party or prime minister and despite the position of party's head was suggested to him in both meeting of November 1980 and July 1981 of central committee of china communist party, he rejected this suggestion excusing senility and lack of required ability for this hard job and instead allocated all his attempts to education and increasing the power of his hopeful students and successors and Deng was free to concentrate his thought on strategic and more long-term planning of China and it resulted in

the presence of later generations of his fellows believing the advance of Deng's goals and this is driven from his foresight.

### **The role of management system of different generations' leaders in communist party**

- The role of management system of China third generation' leaders (technocrats) Jiang Zemin

After Deng Xiaoping, since the followed goals turned to a powerful and systematic framework, the leaders who were in charge after Deng tried to move in the same path and increasingly promote China and in fact the path of China economic growth which Deng paved the way for, later leaders continue and succeeded in economic growth and development of China and leaders well adopted themselves with the changes of conditions and had a sustainable effect on economic development of this country. After being in charge, Jiang Zemin, who was one of close people to Deng Xiaoping and supported by him, tried to continue the process of economic strategies in Deng's era.

The indicators of this model included:

- 1) Creating particular geographical areas in order to concentrate export activities
- 2) More and more appropriate exploitation of foreign capitals
- 3) Strengthening production networks in order to organize export ability
- 4) Proposing the right of direct export to the firms and industrial groups
- 5) Establishing and more execution of contracts' systems (so that all provinces and different areas of China had to sign annual contracts with business ministry and in these contracts, export goals and the rate of required subsidies which used to be proposed by obtaining foreign currency resources, used to be mentioned).

Creating big firms in order to strengthen the exports and the ability of these firms' competition in semi-exclusive worldwide markets (Shora, 2004: 3-10).

Of other measures of third generation leaders due to performing their economic policies in this model, releasing business, encouraging and supporting private sections in establishing non-governmental firms which led to more entrepreneurship, trying to promote governmental employment as the supplementary of private employment, performing the policies of tax relief, comprehensive execution of skills certification system which led to specialization of activities, moderating the economic and traditional agricultural structure in the villages, supporting women and youth employment, revising in the structure of industries and economic firms, changing in some monetary and financial policies can be mentioned (Bakhtiari and Salem, 2005: 172-173).

Considering these realities, China's communist leaders wanted to promote their position in the pyramid of global power considering the country's political and global economic status and scientific and cultural progresses after two decades



of economic reformations, appropriate with a dynamic and modern society focusing on innovation, creativity, effort and restructuring and reorganization of their party inside and exploiting created changes in international system emphasizing on strengthening economic foundations and also guarantee required ground for continuing the sovereignty (Verdinejad et al, 2010: 324-325). On this basis Jiang Zemin institutionalized modernization and technological, scientific, technical innovation and modernism to the great extent discussing the theory of three representatives and make them monitored by communist party (Olamaei, 2007: 67). According to this theory the party has to represent promotion and development of particular socialism dynamic culture, try to promote production workforces and the wealth brood stock and other elites and represent them, represent the vital benefits of absolute maximum of Chinese people and support them adequately and take measures to eliminate the poverty of poorer class as well.

Major achievement of this period was joining china to World Trade Organization, the issue which was the ideal of Chinese people and authorities for years and the presence of China in world economy could develop the process of economic growth of this country and have deep effects on economic development and mutually on World trade. As many of world economic experts acknowledge, joining China to the World Trade Organization could turn China from a regional superpower to a global one rapidly. The leaders of china passed a very long way in joining to World Trade Organization; the authorities of this country performed many reformations such as reducing customs and business release tariff that ultimately obtained the agreement of this organization's members in Doha summit (Masoumifar, 2007: 136).

Considering international conditions, accepting the investors inside the party, the leaders of third generation, meanwhile continuing the pragmatism policy, tried to prevent environmental and international pressure and ultimately the collapse of country by increasing the radius of party circle. It was while by entering huge flood of foreign capital inside the country and the effort of Beijing for more active presence in global scale and presence and membership in international institutions such as the World Trade Organization caused this country to get far from its Marxist origin and base its behavior on national benefits and avoiding any kind of stress in order to continue economic growth because Chinese authorities believed that one of reasons of collapsing east block was intra-party contradictions and strategic conflicts with America and NATO (Olamaei, 2007: 66-67). Therefore, accepting three representatives by communist party, acceptance range expanded in the party and industrial, cultural activists and the businessmen of private section were also accepted in the zone of party and they also could be the member of communist party. In fact, this ideological deformation meant accepting the reality and increasing the radius of party circle more (Verdinejad et al, 2010: 327).

Performing economic programs of Jiang Zemin's period led to amazing achievements for this country. The average annual growth rate (GDP) of China which was averagely 9.2% from 1978 to 1991, was maintained after Jiang Zemin

and his fellows and even reached to amazing amounts in some years such as 1992 and 1993 in which this growth rate had been 14.2 and 13.5 percent.

➤ The leaders of China fourth generation, Hu Jintao (young leaders)

Since 2001, a new generation of leaders came to power which were the generation of young leaders in China. This generation that included mostly the educated young people in two recent decades in Chinese history, decided to propose a new method in China leadership and had new programs in China management scale.

Hu Jintao got the responsibility of China while the country had begun a growing process since near two decades. This process had experienced improvement and progress each year better than previous one. The growth of foreign exchange reserves of China in the years after beginning reformation, high percentage of national gross production growth of this country, coordinated promotion of different industrial sections and services and significant increase of exports and the growth of China trade in World Trade Scale were only a little part of this country's economic success in the period after reformations.

Hu Jintao put the policy of reformations and open doors, which was the step to attract foreign capitals to China, on the tops of his economic decisions. He considered the policy of opening China's gates for foreign capitals as an effort to eliminate governmental monopoly of foreign trade, so he followed this policy.

The reunification of Hong Kong and Macau and establishing the system of a country not only opened the doors of entering foreign capital to the main land of China but also brought a wave of new culture and behavior inside the country. Pop music and western dances and movies and ... entered the country through the channel of these particular administrative areas. Meanwhile annual travel of more than sixteen million people to these areas where were strictly affected by western culture and had different political systems had wide effects in all around the main land (Verdinajad, 2010: 234).

He also particularly noticed scientific and technological sections as the foundation of development and in this era, he turned to attract Chinese elites from other countries around the world to modernize sciences and technologic and could return many of Chinese scientists and elites to the country in a short time (Kein0hongyu, 2005: 96-97).

These programs ins scientific and technological section caused that the volume of China's exports in the field of communicational and informational technologies increase to the great extent so that the amount of China's export in this field reached to more than 180 billion dollars in 2004 and about 210 billion dollars in 2005 and near 325 billion dollars in 2006 and hence; this country was located in the second rank of countries which exported these technologies in the world after America. Of course, it has to be mentioned than China was the

biggest exporter of communicational and informational technologies to the US in this period till the end of 2007 (Shariatinia, 2007: 19).

Observing some inefficiencies in some economic eras of the country such as immigration of millions of Chinese farmers to the cities and other countries and turning them to the workers with false jobs and for speeding economic growth with appropriate and fair distribution of wealth, Hu Jintao proposed a five-year economic program to the central committee of communist party in 2005 to be approved. This five-year program was approved by central committee and communist party. Based on this 5-year program, it had been predicted that per capita income in China in 2010 should be reached to about two times more than 2000. In this 5-year economic program, Hu Jintao had discussed social justice and more fair distribution of national income and lowering the social gap among different areas of the country. Of the other considered cases in this program, predication of increasing healthcare services as well as the period of obligatory training courses to 9 years in which the goal was increasing the specialty and efficiency among standby Forces can be mentioned (Mirkosheshi, 2008: 291).

In this period of time, the leaders of China thought of establishing big and competitable companies in World Market due to another economic policy, for example, they tried to merge big companies with more efficiency and even in other cases they bought some of foreign big and successful companies in international economy. As an example, in 2004, governmental company of LENOVO of China which was a computer company, could purchase the unit of personal computers of IBM company or CNOOC company of China, that in order to increase their own economic activities, buy UNOCAL company of America which was an oil company (Franklin, 2006: 38-39).

The foreign exchange reserves of China that had been 291 billion dollars at the beginning of Hu Jintao's authority, has reached to 3387 billion dollars at the end of 2012 that shows a growth of about 11 times more during 10 years. This period which is after China's membership in the World Trade Organization, meeting some of international trade rules caused that foreign direct investment (FDI) in China has a significant growth and different countries try to invest in this country more eagerly.

Considering the indicators and statistics which were proposed, it is well clear that in the era of Hu Jintao like the other previous two generations, China has had a speedy process in terms of economic development and therefore, the leaders of this country have acted very successfully within the three decades. These economic achievements had enabled the leaders of China to be somehow successful in the theory of eradication of poverty. They could also increase per capita income of people in this country and introduce China as a trade superpower in the world scale (Shariatinia, 2007: 19).

- The leaders of China fifth generation, Xi Bing (elitism)

The characteristic of fifth generation is that they more belong to those born in decade of 1950-1968 which are famous for burned or ruined or dismissed

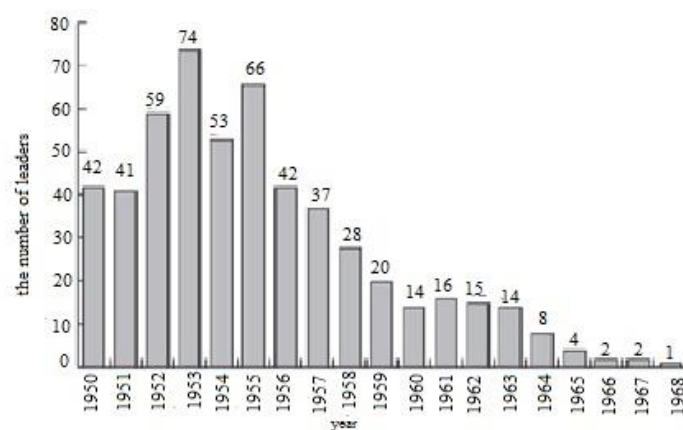
generation. The title of burned generation is said because they were dismissed students and because of having open thoughts compared to the close space of that time were dismissed and transferred to obligatory work camps. Due to their execution history, most of these people have been present in important positions of communist party such as the government cabinet, ministers, the ministers assistants, the assistants of governors, province branches of the party, military leaders and they participated in the process of administrating the country affairs. Therefore, fifth generation have important experiences and histories in administrating urban affairs compared to other members of communist party.

Because of educational experiences, this generation has mainly educated in human sciences such as law, social sciences and political sciences; but unlike the fifth generation, previous generations of China were educated in engineering fields. Xi Bing, president and Lee Ki Kiang, prime minister as two supreme positions are both highly educated, travel a lot and are experienced scholars who have a significant reserve of experience to solve the problems of China. There is no doubt that maintaining the speed of economic growth which Deng Xiaoping engineered is the main goal of Xi Bing's program.

#### 1- The age distribution

The official media call the leaders of the group which has been born after foundation of China public's republic in 1949, as the revolution generation. According to consensus in china and foreign societies which study the contemporary China, fifth generation generally consists of the same age, born in 1950s. graph 1 shows the distribution of 835 leaders of fifth generation (who have been born in 1950 of after that) using their birth year. Among the leaders of this generation. 264 ones (68%) were born in 1950s, 17 ones (31%) were born in 1960 and only 5 ones (1%) were born in the late 1960s.

Graph 1- the distribution of fifth generation leaders (the index of birth year)



These 835 studied leaders include all permanent and alternate members of the seventeenth main committee born in 1950 of after that as well as all managers

and deputies of main five institutions of China communist party, all 92 managers of government, all state ministers of party and the assistants of minister and all state governors and their assistants who were born in the same time framework (Li, 2008: 60). The names of these people who are of the most important political leaders of fifth generation involve 1- Xi Jinping and 2- Li Xiang who are considered as the youngest members among nine members of The Standing Committee of the Politburo of the Communist Party (the supreme board decision-making in China) (Miller, 2009: 52).

### 2- Educational experiences

Undoubtedly the clearest common experience of fifth generation was cultural revolution (1966-67). During this period, China educational system got really paralyzed by the students who were mainly involved with political fights and ideological training instead of educational studies.

The leaders of fifth generation who had lost the opportunity of official education belong to this generation of so-called wasted. Dismissed young people are like Xi Jinping, Li Xiang and Li Yuan Chao. Technocrats are the political elites who have passed their high education in engineering or natural sciences. The percentage of leaders who were specialized in these fields was reduced from 54% in fourth generation to 22% in fifth generation but the percentage of leaders who have educated in economy or management increased from 8% in fourth generation to 22% in fifth generation and the percentage of leaders who have educated in Law has increased from 3.5% in fourth generation to 9.3% in fifth generation. Many of the prominent leaders of fifth generation have educated in Law (Li, 2008: 74). Therefore, the effect of rapid growth of educated leaders in Law and political sciences in China political system require more attention. Educated returnees abroad increased their presence in fifth generation and contribute increasing dispute of China political elites. Generally, 28 leaders of fifth generation have studied abroad (Teiwea, 1984: 111). The presence and increasing power of educated elites abroad in China leadership should be an important index of political change and openness of the country. It is not clear if those returnees who have general office in government and party will contribute the promotion of norms and international values due to their foreign experiences.

### 3- Conflicts within a generation

Increasing conflict in China leadership is seen in fifth generation. Analyzing the combination of factions, deployment of leadership, characters and the priorities of supreme leaders' policies of fifth generation are necessary for perceiving the importance of changing policy of China elites. At the absence of an important person such as Mao or Deng, the China leadership policy are discriminated by controls and balances between the two groups or rival political coalitions. This trend caused being two parties in communist party or a phenomenon named as a party, two coalitions which was first created in fourth generation and will most likely get more dynamic in fifth generation (Li, 2008: 99).

In Politburo and secretariat of the seventeenth main committee, there are 8 members in age range of 1950s. these eight leaders can be divided into two groups in terms of faction dependencies:

- 4- The programs of domestic and foreign policy: Xi “elitist” and Li “populist”

The differences of policy between elitist coalition and populist coalition between the factions of young princes and between Xi Jinping and Li Xiang are important and significant same as the existing conflicts in their social-political histories. Xi tendency to develop and permanent promotion of private section and releasing market for Chinese people and the community of international business is clearly obvious. Not surprisingly, the primary concerns of his policy includes improving economic efficiency, achieving high rate of gross domestic production and greater integration of China in the world economy. Anyway, Xi contributes to the fast growth of coast provinces as a solution for remained development challenges through recognition of speeding internal development of china (Saich, 2008: 35).

### Conclusion

70 million people are the members of communist party in China and maybe hundreds or thousands of this party members are working as the clerk in an economic institution and as the result it can be said that till a company is administered governmentally, communist party plays a pivotal role in main decision makings. For example, the selection of executive and financial managers, determining the budget and rate of purchase and annual consumption can be mentioned. Sometimes, the party even interfere in operational decision making such as buying and providing the house for clerks or the main suppliers of raw materials.

Of course, any change in party strategies can be very serious because before the foreign managers get aware of this problem, leave them against the consequences of this problem.

When investment decisions valorized as hundreds of million dollars go to the government board, in fact the role of government board only summarized in giving positive or negative vote. By adding the strategies of eliminating an international member of government board, the investors can have more effect for entering international criteria, increasing the capital and timing.

Therefore, the investors have to try to ensure choosing the managers who act according to the strategies of party in that area which have been invested. The best time for such a choice is while primary negotiations, when the investors have the most power of effectiveness though most of the times they lose these opportunities. In each agreement, it has to be determined which one of foreign board members work in which part and what position they will exactly get. The investors should try to mentioned their main strategies legally. To advance their goals, during the negotiations, they have to make the discussion attractive as much as possible because the experience has shown that multinational

companies can have more prominent role in leading the project justifying their investment. The investors who want to influence decisions in wider scale, have to wait till their effectiveness on the party get determined in the held sessions and also for later negotiations with party think of newer roles.

Communist party and the strategies of foreign investors considering the influence of foreign investors

The foreign investors shouldn't expect monitoring economic institutions in china gets close to the global standards but anyway, the influence of foreign investors is very low on decisions and choosing key posts, future prediction or stating the attitudes of managers are mostly affected by the decisions of the party.

Updating status of corporate monitoring standards in economic firms of China passes a very bad condition. Most of foreign investors haven't figured out the importance of communist party. To maintain their capital and approaching the china governmental economic institutions to international investment, they have to participate in negotiations constantly and so as to a significant result hasn't been achieved by severe pressure on this economic system, only obtaining suitable information such as how to move forward, step by step, can accelerate this development more. Most of investors and independent international managers don't trust how the Chinese economic firms are monitored as well as the type of changes in these institutions.

Communist party and hoping for democracy in China

Internal processes in China such as social movements, the democratic demands of average class citizens and the ratio of economic welfare and political development seeking are closely watched by Western supervisors. Future scenarios about China including changing this country to democracy, maintaining political authoritarianism meanwhile economic liberalism or pessimistically rolling of China in social and political chaos are tested. It is clear that Western democracies have strategic benefits in maintaining hope for democracy in countries such as China.

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