OTHER NATIONS

China's Elites

"China's *Nomenklatura* System" by John P. Burns, in *Problems of Communism* (Sept.-Oct. 1987), U.S. Information Agency, 301 4th St. S.W., Washington, D.C. 20547.

In the Soviet Union, the Communist Party exercises power through the *nomenklatura* (nomenclature), the patronage system under which the Politburo directly controls key positions in most political, governmental, social, and cultural organizations. However, *all* Communist states use such a system. In China, says Burns, a political scientist at the University of Hong Kong, the *nomenklatura*—there called *zhiwu mingcheng biao*—is "arguably *the* major instrument" of party control.

China's *nomenklatura* evolved during the early 1950s; by 1955, the Communist Party's Central Committee (CC) controlled all senior personnel appointments. Like everything else in China, the smooth-running *nomenklatura* machine was disrupted by Mao's Cultural Revolution of 1966–76, resulting in "highly irregular" appointments. Not until 1980, after four years spent rehabilitating the victims (and purging the leaders) of the Red Guards, was the *nomenklatura* system fully restored.

In 1984, the CC transferred control of two-thirds of the posts it used to fill to provincial party branches; they in turn handed many of *their* positions over to prefectural (county) party committees. This was done not to reduce the *nomenklatura*'s size—still an estimated eight million positions—but to allow the CC to concentrate on filling important jobs.

Posts still controlled by the CC, Burns writes, include "the leadership of all important mass organizations," among them the trade unions, the industries, the top 10 universities, and such newspapers as *China Daily* and *Renmin Ribao*. Prominent exclusions: the armed forces and elected members of the CC, who control their own *nomenklatura* lists.

The more positions covered under *nomenklatura*, the higher-ranking the organization. The Academy of Sciences, for example, has "scores of positions" controlled by the CC, and is thus more prestigious than Peking University, where only the top two posts are *nomenklatura* jobs.

Like its counterparts elsewhere, notes Burns, China's *nomenklatura* "institutionalizes patronage." The continued monopoly by national and provincial central committees of the Communist Party on the granting of sinecures and official favors perpetuates the incumbent leadership's power.

Capitalist Corruption

"Briefcase Politics in India: The Congress Party and the Business Elite" by Stanley A. Kochanek, in *Asian Survey* (Dec. 1987), Univ. of Calif. Press, Berkeley, Calif. 94720.

India's businessmen face severe constraints—rules governing imports and exports, prices and production quotas, and even plant location.

The result, notes Kochanek, a political scientist at Pennsylvania State University: the business leaders prefer to curry favor with New Delhi's politicians rather than compete in a free market. Thus, India has an economic system—known as the "permit-license-quota Raj"—that produces slow growth, massive corruption, and shortages of consumer goods.

The Congress Party politicians (led by Jawaharlal Nehru) who ruled India after independence from Britain in 1947 believed that centralized planning and curbs on corporations were the keys to economic development. Led by family-owned "business houses" (such as the Tatas of Bombay and the Birlas of Calcutta) descended from old trading firms, India's industrialists accepted Nehru's socialist restrictions rather than risk nationalization under a more radical regime. They chose to gain influence through massive campaign contributions and by providing jobs for the relatives of key politicians. As the costs of national election campaigns rose (from 25 million rupees in 1957 to between 300 and 660 million rupees 10 years later), politicians' dependence on businessmen for funds grew.

The elections of 1967 gave the Congress Party its smallest majority since independence. Prime Minister Indira Gandhi, angered by business donations to the opposition Jana Sangh and Swatantra parties, retaliated by banning all corporate campaign contributions. But Gandhi's ministers threatened nationalization or punitive tax audits if businessmen failed to give illegal (or "black") payoffs to the Congress Party. Although Gandhi's government fell in 1977, her return to power (1980–1984) expanded the "permit-license-quota" system to state-owned corporations and to military contracts with foreign firms. Election costs continued to climb, reaching four billion rupees (about $307 million) in 1984–85, increasing politicians' need for corporate aid.

Since he became prime minister in 1984, Indira's son Rajiv Gandhi has legalized corporate campaign contributions. He has also tried to promote deregulation and tax reform. But bureaucrats resist any changes that may reduce their power. Moreover, many businesses "are happier in a closed, controlled, and noncompetitive environment" that allows inefficient factories to survive. The Indian economy, Kochanek believes, "needs a drastic overhaul." None is "anywhere in sight."

A Quiet Success

"Invisible Indonesia" by Donald K. Emmerson in *Foreign Affairs*, (Winter 1987–88), Council on Foreign Relations, 58 East 68th St., New York, N.Y. 10021.

What is the world's fifth most populous country? Which nation is home to the most Muslims? The land whose per capita economic growth exceeded those of all other Southeast Asian countries except Singapore during 1965–85? The country is Indonesia—which, says Emmerson, a political scientist at the University of Wisconsin, Madison, remains unknown to most Americans.

After 200 years of Dutch rule and three years of wartime occupation by Japanese forces, Indonesia declared its independence in August 1945. Its first president, Sukarno, was a nationalist who shunned Western help, withdrew from international organizations, encouraged the world's third largest Communist party, and aligned Jakarta with Mao's China. But the succession struggle that erupted when the "president for life" fell ill in 1965 brought a military takeover and a new leader: General Suharto.

His supporters slew 100,000 Communists and set up a New Order, "an