

## THE MOSCOW TIMES

### Time for Attention to Information in China

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Aren't we paying too much attention to Georgia? The most important events for Russia in recent months have occurred in another country -one 260 times bigger than Georgia by population and 138 times larger in area. The increasingly bitter political struggle in China and the path it will take depending on the outcome of this struggle have gone almost unnoticed. This is the result of ignorance, not negligence.

At the end of September, Chen Liangyu was suspended from the Politburo and the Communist Party Central Committee and fired as Shanghai party secretary. He was accused of corruption, but this explanation arises so often in dictatorial regimes during changes at the top that it can only mean one thing: Chen's opponents had more political clout than his supporters. His ouster was another victory for Chinese President Hu Jintao and Premier Wen Jiabao over the "Shanghai Group," which includes allies of former leader Jiang Zemin. A plenary session of the Central Committee that will decide Chen's fate started Sunday. This would be of no special interest were it not for the fact that this session will also decide China's future path.

Although the disagreements in the Politburo are about macroeconomic issues, more fundamental is the issue of freedom of information, which is not officially on the agenda. Hu's new course, which he calls the "Harmonious Society," is a serious departure from that taken by Jiang, who subordinated everything to achieving high growth rates. This growth was accompanied by increasing inequality; the new course should lead to a reduction. Growth was supported by an increase in openness of information, but Hu would limit these freedoms substantially, as shown by attempts in September by the Xinhua state information agency to gain control over all information provided by foreign media.

The problem is it is hard to imagine rapid economic development without the free flow of business information. Investors need to know what they are investing in. Xinhua later said the limits would not apply to commercial information (which in recent years has been dominated by Bloomberg and Reuters). But it is very difficult to differentiate between political and commercial information. Information about corruption in the Shanghai administration, for example, was political because it led to Chen's removal. But it is also economic, because profits for the firms and sectors implicated will be lower.

Hu and Wen will likely triumph, but they may have to limit information further to shore up their power. This will be a move backward - and something we should keep an eye on.

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