

China's Economy

Panel:	Session 5 (Lilac & Tulip Room)
Date/Time:	Wednesday, December 12, 2012 / 13:45–15:00
Speakers:	Hong Duck-Hwa, Yonhap News Agency (Moderator) Jin Zhe, Liaoning Academy of Social Science Kang Jun-young, Hankuk University of Foreign Studies Ku Ki-bo, Soongsil University Pan Liang, Global Finance Magazine Shen Zhihua, National Defense University
Rapporteur:	Chung Joo Young, Yonsei University
Translator:	Caleb Dependahl, Science Applications International Corporation

Panel Short Summary

Jin Zhe

I would like to explain China's concept of change. After the 18th National Party Congress, the direction of China's development and nature of its external relations changed. China's change takes place through the confrontation of past conflicts. In the past, China's socialist core values were inclusive. Today, China adopts Western values of democracy, freedom, equality, and universal fraternity. External strategy is now also full of new concepts and ways of thinking, including equality, mutual trust, inclusiveness, harmony, and common prosperity.

At a meeting of international visitors, Xi Jinping stated the three major elements needed for China's development. First, China needs the support of all peoples of the world. Second, the world must liberate learning. Third, China must develop alongside the rest of the world.

At present, China's northeast region is expanding a new phase of its economic development model. The first part of this model is a plan for scientific innovation and development. Liaoning Province serves as a microcosm of China's current economic situation. Northwestern Liaoning Province is now under heavy development, and the region may

* The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.

* The views expressed herein are panel overviews of the Asan China Forum. They do not necessarily reflect the views of the author or the institutions they are affiliated with.

become competitive in markets across Asia by 2020. To achieve this, the region is adjusting its industrial structure. Shenyang is a prime example. The next part of the development model is to improve the competitiveness of each province's key industries. This includes equipment manufacturing in Shenyang, software in Dalian, and Liaoning metalworking and processing. These areas are capable of economic cooperation with Northeast Asia to promote mutual economic development.

Kang Jun-young

Professor Kang referred to the problem of uneven distribution. Although the level of China's national development is great, the economic situation for many of China's citizens is quite poor. First, China avoided the corrupt practices of capitalism and established a socialist country. Afterwards, to rid the country of dire poverty, Deng Xiaoping enacted a policy of "Reform and Opening," thus building a socialist society with Chinese characteristics. However, his theory of letting "some get rich first" led to the current gap between the rich and poor. This is the aforementioned problem of uneven distribution. To solve these problems, there needs to be an inclusive approach to development which can also maintain intensive economic growth.

China now has new ruling leadership, but Xi Jinping and Li Keqiang have different work experience and thoughts on the economy. How they will adjust and reconcile such differing orientations on the economy is of great significance to China's development.

Ku Ki-bo

Professor Ku pointed out several difficulties that China currently faces. On the one hand, exchanges between South Korea and China have developed greatly in the short term. South Korea's investment in China has made optimal contributions to improving Korean employment, exports, economic growth and industrial structure. However, the growth in the scale of trade has been unequal and uneven. Simply put, Korea's trade dependence on China is too high. Capital flows between South Korea and China are also one-sided. The direction

*** The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.**

*** The views expressed herein are panel overviews of the Asan China Forum. They do not necessarily reflect the views of the author or the institutions they are affiliated with.**

of the movement of capital is from South Korea to China, while movement is very small from China to South Korea. In order to promote the development of China-ROK relations, there must be mutual understanding of each other's respective position and interests. For example, in preparation for signing the FTA, China must carefully consider South Korea's sensitivity when it comes to agricultural products.

Pan Liang

Professor Pan discussed the problems of wealth distribution and common prosperity in China. The goal of the socialist market economic system is common prosperity. The "let some get rich first" theory was not the end goal, but rather a means to the goal. Socialism with Chinese characteristics is different from and does not share the irrationality and inharmonious nature of the American and European capitalist systems. At present, China utilizes the harmonious nature of the socialist market economy, pointing out the importance of allocating shared prosperity.

Shen Zhihua

Professor Shen revealed the reasons for China's change of economic direction and transformation. When viewing the necessary standard of living for China's citizens and especially the lower class, one can see that it is social conflicts and corruption that guide the transformation of the Chinese economy. China must change its backward mode of development and convert its economic development model.

*** The views expressed herein do not necessarily reflect the views of the Asan Institute for Policy Studies.**

*** The views expressed herein are panel overviews of the Asan China Forum. They do not necessarily reflect the views of the author or the institutions they are affiliated with.**