

## China's Leadership in Transition

- Panel:** Plenary Session I (Orchid Room)
- Date/Time:** December 11, 2012 / 10:30-11:45
- Speakers:** Hahm Chaibong, The Asan Institute for Policy Studies (Moderator)  
Chung Jae Ho, Seoul National University  
Jin Canrong, Renmin University  
Kenneth Liberthal, The Brookings Institution
- Rapporteur:** Glenn Baek, Asan Institute for Policy Studies

### *Panel Short Summary*

Asan Institute President Hahm Chaibong kicked off the first Plenary with a question: What is the historical significance behind China's recent leadership transition?

Kenneth Lieberthal, Senior Fellow at the Brookings Institution, noted that China is at a major crossroads where new leaders know they must make structural reforms, including, among other things, making significant changes in the political system, fighting corruption, doubling the GDP, shifting the economic growth toward domestic consumption, and making government more transparent. He observed that we are already beginning to see rhetorical change at the top, with President Xi Jinping trying to distinguish himself from the preceding leadership and moving to take on high profile corruption cases. That said, Lieberthal thought that meaningful reforms will come slowly, as President Xi needs to balance the needs for change against China's vested interests in state-owned enterprises and large national bureaucracy. Overall, it is not clear whether there is sufficient consensus among the new leaders on the specifics of reforms, the priority that should be assigned to each, and how much political capital to spend on achieving reforms.

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Seoul National University Professor Chung Jae Ho observed that outside China watchers have been humbled by events that took place in Chinese domestic affairs in the last several months. For example, the Bo Xilai affair and recent expose detailing immense personal wealth of China's leaders and their families demonstrate that we are only beginning to grasp the complexities of Chinese internal politics. President Xi appears to be doing the right thing judging from his November 15 speech in which he revealed his desire to deliver tangible political achievements soon. As the second youngest member of the Standing Committee of the Politburo, surrounded by party elders, Professor Chung noted that it remains to be seen whether Xi will emerge as a leader capable of meeting significant challenges the country now faces.

Professor Jin Canrong of Renmin University assessed that all the new leaders must fight for their space in the Politburo in the absence of a clear political boss. He believed that the current situation looks similar to that of "westernized factional politics" we see in the United States. While the new political dynamic appears to be making each member feel uneasy, Jin claimed that this is a welcome change from the days of "strongman politics" of years past. He also pointed out a shift in the state-society relationship where the people hold the state accountable. Of significant note, China's urban population has now outstripped the rural population against the backdrop of the rising middle class in the country—a group different than dealing with poor farmers. Jin concluded that China will be led by a collective leadership, resulting in compromise and bargaining similar to US politics.

During the question and answer session, the panel noted in agreement that President Xi could be either hammed in by party elders or, conversely, may find himself with more political space as these elders retreat once their one-time appointment expires. That said, President Xi will likely be careful about not stepping on other people's toes. It is an open question whether the new president will show his true colors once he has consolidated his position in the leadership. Concerning urgent reforms, the panel agreed that the impetus of change will be driven by events, not by the collective leadership's consensus views on issues.

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