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Robert Lawrence Kuhn, international corporate strategist, investment banker, China political and economics commentator, and expert on the China business market.

Bloomberg's Zeb Eckert speaks with Robert Kuhn, adviser to the Chinese government and chairman of the Kuhn Foundation, about reform in China

Kuhn: I think that it's important to understand what the most senior leader in China really is and what all China's leaders really are. Because when we see today, in a few minutes, the new Standing Committee of the Politburo, it will look to most Westerners as if it's a cabinet of an American president or of a British prime minister. But that's not at all the case.



In the West, in the American and British systems, we have checks and balances. But the cabinet can be totally replaced by the president or the prime minister, even with whim and caprice. That's not the case in China.

Within the Standing Committee, each individual is an independent power in his own right. They all have their own portfolios, and they all have one vote. Xi Jinping will be the first among equals, sure, but he still has only one vote because equal they all are.



That's why today is so important. We have to see who are the other members. What are their portfolios? What are the potential coalitions to effect various kinds of changes? Because this we know for sure: China must make changes.



For the first time, the risk of not reforming is higher than the risk of reforming. I believe Xi knows this. He's highly experienced, having running three major administrative areas -- Fujian and Zhejiang province, and the city of Shanghai. This gives him great experience.

China's new leaders know they have to reform. They're going to try to maintain stability, for sure, but reform is necessary to maintain stability.

<http://www.bloomberg.com/video/kuhn-xi-jinping-knows-china-has-to-reform-hlyfoRtHQdCEtQIomKcydg.html>