

CCTV News

China's Political and Economic Structure

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HOST: This morning Hu Jintao delivered a report of the 17th CPC Party Committee and he mentioned the old way and the hard way. He said, "China rejects the old, rigid, closed-door way of policy making, and also any attempt to abandon socialism. What is the implication here?"



KUHN: China must develop its own economy, its own political system, in a way that makes sense for China. China has a historical approach that has been founded on socialism, but the world has become more complicated. The political ideologies of most countries were invented in the 19th century; they had application and caused lots of trouble in the 20th century. In the 21st century, whereas the relevance of past ideologies is questionable, each country must optimize its own conditions. Hu Jintao called for, actually, five areas on which to focus: economics, politics, culture, society and ecology. These are the areas in which thinking has developed and needs further development. China has its own system, its own way of doing things, and this needs to be advanced.



What we saw in the report is special emphasis on President Hu Jintao's theory of the scientific outlook on development, which is a principle of optimization. When you have different priorities, how do you balance them? Economic growth is most important, but it's still one thing. You have all these other things – major problems such as social imbalances, sustainable development, pollution, corruption – how do you deal with all of them? Emphasizing the scientific outlook on development provides a way of thinking to optimize those diverse things. This requirement to deal with diverse issues is key, differentiating this report from past reports.



HOST: But within this one party system, many people are asking how can you improve your Party's representation and accountability?

KUHN: People in the West think that a one party system is absolutely incompatible with democracy. It's what we call an oxymoron, it seems impossible, an apparent contradiction, like a dark day or a bright night. And yet, there are ways for a one party system work towards democracy in the sense of public participation in the process of governance -- and the West needs to appreciate it. It's difficult to do; one keyword is transparency. I would rather have a one party system with transparency than a multiparty system that had no transparency.



HOST: Do you think the Communist Party had become more transparent?

KUHN: Progressively yes; but it's just a few steps along a lengthy road.



The Party must move faster, more aggressively toward true transparency.

HOST: And where are we right now?

KUHN: If you look at the Party leaders, the up-and-coming leaders, you see is a very highly educated group. Take the Party committees, in all provinces and major cities, roughly 350 - 400 people: 60% have masters degrees or above. That's encouraging because new ways of thinking are needed in the future and educated officials will seek more sunshine laws, more openness. Transparency in governance is key to the future of China.



HOST: As for the daunting task of this coming decade, Hu Jintao's message is clear. How realistic and feasible is it? And among all the areas to work in order to achieve the goal, which do you think are the most important, since China's economy has been slowing down?

KUHN: First of all, the larger you are, the harder it is to grow as measured in percentages. Over the last decade China's GDP grew almost six times, which is absolutely incredible, but that's just impossible to continue. It would defy the laws of numbers. The goal to double the 2010 GDP by 2020, eight years from now, is actually quite realistic – although China is held captive by the global economy. China is not independent of the world, so to some degree, China fate hangs with the world's fate. China is a fast-growing economy, but it's also a fragile economy.



KUHN: Here's a problem: we always talk about the top line, the GDP growth rate, but that's not the most important thing. The most important thing is the composition of the GDP, the GDP quality. In the past, investment has been a very high percentage, 50% or more; consumption is in the 30%, 35%, which is potentially dangerous. So far, in the last decade, it's been fine, because China needed investment – it needed roads and railways and airports. But when you have one airport in a city do you need two or three? At some point investment becomes inefficient. So the continuing high percentage of investment in the GDP is a danger.



HOST: Do you think GDP components will be shifting?

KUHN: They have to be. For China to increase its GDP is fine, but you need to look at the internal components of the GDP and the component of consumption must increase. So China needs two things, top-line GDP growth, but also an improving and sustainable composition. If China's GDP's top-line growth is good, but it comes mostly from investment, then there's trouble ahead.



HOST: Concerning the exercise of power, the General Secretary has pointed out that a sound mechanism should be established for conducting checks and oversight. So what is lacking there in the Chinese institution?



KUHN: We have to face the reality of a one party system. I agree that a one party system is indeed proper and right for China – in its stage of development with its huge, imbalanced population, its history and culture – for the next years or decades. If we put on the table the current necessity of a one party system, we have to accept that corruption in a one-party system is more difficult to fight than in a multiparty system with a completely free media. That’s just the case. You must recognize that controlling corruption in a one party system is especially difficult. I know China’s leaders recognize the severity of corruption. The major scandals this year, which burst onto the world scene, has shaken leaders here. Foreign media actually misinterpreted the Bo Xilai scandal as some political battle. Politics are always involved in almost anything, but the Bo affair was not primarily political. But it focused the attention of leaders on the need for checks and balances in the system. High individuals cannot be left alone. Because they are independent sources of power, there must be external constraints.

HOST: But what is the systematic design that to help solve this problem?

KUHN: “Sunshine laws,” such as declaring and publishing the assets of leaders and officials, such that they also encompass their families and friends, whoever, however broad you have to go. Transparency is where it starts, personal transparency and transparency in government, combined with real checks and balances in the system of governance.