

Report: “Analysis on Fifth Generation of Chinese Leadership and Prospective Future Outlook on Korea’s Policy”

This report is written by Danny Jeon, a researcher at Hanns-Seidel Foundation Korea. The report is based on the conference presentation and discussion by Dr. Ku Chun-Suh followed by debates constructed by Prof. Oh Seung-Ryul of Hankuk University of Foreign Studies and Dr. Lee Suk-Woo, senior reporter of Seoul Shinmun.

The conference, “Analysis on Fifth Generation of Chinese Leadership and Future Prospective on Korea’s Policy” took place on Wednesday, 20 August, 2014 at ChosunBiz Building, Seoul, South Korea. It was co-hosted by Chosun Ilbo, one of the major news agencies in South Korea, and the Korea Future Foundation, which is a Non-Governmental Organization that focuses on instilling stable peace in Korean Peninsula and East Asian region through international exchanges and cooperation. The conference was moderated by the senior editorial chief of Jungang Ilbo, Mr. Kim Jin.

This conference mainly featured the presentation given by the president of Korea Future Foundation, Dr. Ku Chun-Suh, followed by discussion from Prof. Oh and Dr. Lee. Dr. Ku thoroughly presented the current situation of the Chinese leadership, its main challenges and obstacles, and future Korea-China relations. The presentation began by describing some of the main characteristics of each generations of leadership in China. Dr. Ku described that 1st Generation, consisting of Mao Zedong and Liu Shaoqi, established the Communist Party and the strong central government; 2nd Generation, consisting of Deng Xiaoping, liberated the Chinese economy for global market but continued to maintain strong political rule; 3rd Generation, consisting of Jiang Zemin, continued the economic development; 4th Generation, consisting of Hu Jintao, further strengthened the party rule along with its fast growing economy; and the 5th Generation, led by the president Xi Jinping, is pushing for the Chinese vision that will establish China as a major global power. Xi Jinping’s main slogan for internal party line is the “Chinese Dream (中國夢)” to reestablish China as its former glorious state of Tang Dynasty, which consisted over 30% of the global economy at that time. Dr. Ku further stated that to achieve the “Chinese Dream,” Xi Administration faces several challenges, which are regional, ethnic, and urban/rural inequality, sustainability, and maintaining fast-growing economy.

To address these problems, Xi Administration presented five major policies of increasing internal market to expand the size of middle class and to convert China to be the leading exporter to importer of the global economy, aiming to urbanize 1 billion people for sustainability and effective management of large population, developing the neglected western and rural area for development, and expanding trade agreements to increase the quality and standard of living. Dr. Ku mentioned that China’s efforts for pushing Korea FTA, initiating huge infrastructure projects in Xinjiang, establishing Asian Infrastructure Investment Bank (AIIB), and reforming finance for CNY global standard are some of Xi Administration’s effort to make the “Chinese Dream” into a reality. If the previous generations of Chinese leadership attempted to globalize China, the 5th Generation is aiming to achieve exact opposite: to sinofy the world.

As a response to Xi Administration’s “Chinese Dream,” Dr. Ku suggested some directions that Korea must take to an advantage of quickly changing China’s policies. First, he emphasized the

importance and the significance of the Korea-China Free Trade Agreement. Expecting a direct impact of 3% growth in Korea's GDP, Dr. Ku strongly espoused the benefit of FTA, as it would grant official Chinese government protection of Korean corporations in China, lead to synergetic economic development, and even isolate Japan from the East-Asian bloc. On a side note, Dr. Ku expressed some of disappointment from this July's Korea-China Official Summit, as Korea was not able to lead more cooperative efforts with China, such as the participation of AIIB that could have greatly benefit South Korea.

On his final remark, Dr. Ku presented the idea of East Asia Co-Prosperity Sphere, which a good economic relation with China and Japan would eventually lead to peaceful unification of the Korean Peninsula and eventually to a solid regional bloc similar to that of European Union. Describing that German unification was only possible because of the regional trust and Germany's good relations with the major powers, Dr. Ku expressed that it is a paramount objective for South Korea to initiate such trust-process with its regional powers to create the foundation of unification like Germany. If the trust is established, then South Korea can appeal that the reunification of the Korean Peninsula will benefit all the surrounding nations to garner international support. Thus, the effective way to start this regional trust-building process for South Korea is through good economic relations between Japan and China, and the Korea-China FTA is a great place to start.

After Dr. Ku's presentation, the moderator, Mr. Kim, introduced Prof. Oh for discussion. While Prof. Oh agreed mostly with Dr. Ku on the importance of regional trust building and the economic cooperation, Prof. Oh had more skeptical view on China. He argued that the 5th Generation of Chinese leadership is more concerned about maintaining the current elite-based ruling structure along with the growing middle class. This approach of Chinese leadership had more realistic tone than that of Dr. Ku. Prof. Oh further argued against Dr. Ku on his remark of the importance of South Korea's appeal to persuade that the reunification will be a benefit to the surrounding countries. Realistically, Prof. Oh suggested that it is more effective to emphasize the burden of separation to the surrounding countries to achieve reunification. He further lamented that the division of the Korean Peninsula is being politically used by the nearby countries, as the division is an effective way for surrounding countries like United States and Japan to maintain their military presence in the region. Overall, Prof. Oh had a very skeptical outlook on Chinese government and its policy, as South Korea should be very cautious and realistic when making deals with China. Too much reliance on China for trade based on FTA can signify Korea's dependence that may lead to serious danger to South Korea's foreign affairs capability.

Finally, Dr. Lee of Seoul Shinmun presented his remarks and responses towards Dr. Ku's presentation. Dr. Lee had a very negative and critical view on China's policies and structure, as he simply described China as a state of instability. Internally, rampant corruption that is deeply rooted within the Chinese political structure is leading to a great instability. This problem becomes very apparent as Xi Jinping placed anti-corruption as the primary objective within the policies system. Such unprecedented internal anti-corruption campaign signifies the grave danger of the rampant internal corruption. Furthermore, Dr. Lee added that Xi Jinping's lacking military connection is weakening the Communist Party's control over the Chinese military. Previous generations of Chinese leadership had either military background or had strong ties with the military. However, Xi Jinping, without much military affiliation, is losing some control over the

military, leading instability in the Chinese political structure. Increasing size of middle class and educated population is also leading to minor social movements within China. Combined with such social conditions and the breakdown of the connection between Chinese military and the Communist Party, Chinese government may lose effective civilian control that the government has enjoyed over the past years. To address this concern, Chinese government is instilling strong nationalistic sentiment among civilians based on historical contention with the Japanese to strengthen the civilian party loyalty. Unfair treatment towards the minor ethnic groups and dissatisfaction is another internal instability that Dr. Lee pointed out during the debate. Implementing unilateral policies that do not consider the minor ethnic groups in China may further lead to instability that China should better avoid.

Externally, Dr. Lee criticized China's inconsiderate and harsh foreign policy towards Southeast Asian nations and Japan. Increasing tension between United States and China seems very concerning, as he presented a realistic argument that such tension is developing all parts of East Asian region due to power-shift from United States to growing China. Both China's internal and external instability may lead to serious threat and danger to not only South Korea but also the East Asian region as a whole. He concluded his remarks with a negative outlook on Korea-China FTA that Korea's heavy reliance and dependence on China with its instability can lead to potential dangers and irreversible damages.

After Dr. Lee's presentation, Mr. Kim led the forum for a brief question and answer period from the audience. The forum was closed with a celebratory photo shoot with the participants of the forum.