



CHINA 2020: WILL THE REFORMS WORK?

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Overview

- Assess China's policy programme, and evaluate implications for China 2020
- China today: achievements and challenges
- Why 2020? and policy goals: the big ideas
- Policy evolution: from 3rd Plenum to 13th Five-Year Programme
- Projections to 2020



Why 2020?

- Go beyond the headlines
- And reflect Chinese leadership's own goals for China 2020:
 - "moderately well-off society"
 - comprehensive deepening of reform
 - end of the 13th five-year programme
 - well into this leadership's term of office
- Multiple major policy goals





Third Plenum reforms (Nov 2013)

- Economy: more market and less state
- Social development: urban-rural integration, pensions and welfare, environment
- Further economic opening
- Financial and fiscal reform
- National security policy changes
- Better governance an overarching theme





Slow progress so far

- Only gradual shifts towards market playing a "decisive role"
- Limited reform of state-owned enterprises
- Financial reform ongoing, but a challenging summer this year
- But steady, technocratic progress on fiscal reform
- Growth in services sectors and consumption (e-commerce)
- Some public service reforms
- Governance and anti-corruption has been a major focus



The next five years

- 13th five-year programme (2016-2020) focuses on development, but a different type of development
- New normal: 6.5% GDP growth
- Reaching the "xiaokang" goal
- Tackling the environment
- More economic diplomacy
- Complex regional picture, economic diversity growing





What are the priorities?

- Shift to new pace of economic growth
- Focus on "full" not "partial" urbanization: 45% by 2020
- Eliminate rural poverty (70mn)
- National science and technology projects and innovation
- Coordinated reform in financial markets, "core of a modern economy"
- Energy and water resource efficiency & the environment
- Agricultural land
- Local environmental protection and management: implementation
- Family planning policies





Projections: an uneven future

- Economy - timing mismatch: short-term pressures, medium-term reforms
- China increasingly driving globalization and global governance
- More complex & diverse manufacturing picture: all ends of the spectrum
- Massive urban transformations continue
- Business disruptors and innovation
- Growing economic diversity and complexity a greater policy challenge
- Improved environment but will it be enough?
- Social stability: finely balanced
- ❖ Is the "reform" approach sufficient?





Thank you!

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