



## **Political Constraint on China's Economic Development: Historical Analysis of Adverse Effects of the Concentration of Power on the Economy**

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### **Abstract**

What is the relationship between politics and economy? What kind of relationship should the two variables maintain in order to ensure sustainable prosperity? Such questions are key to understand China, which now stands as the world's superpower due to the rapid economic development. Deng Xiaoping was the first person in China to realize how politics should function to vitalize economy and to exercise accordingly. However, he lacked in insight about to what extent the existing power should be transferred to the economic sector. The Tiananmen Square Incident clearly showed that the economic or social liberalization that threatens the rule of the Communist Party is intolerable.

Xi Jinping succeeded in strengthening his authority through a massive power struggle. One by one, the means that could have held Xi and his political group in check have disappeared. A device to prevent Xi's succession has also vanished. The problem is that the concentration of power during the Xi Jinping era has had adverse effects on the economy. The current ruling authorities have no intent to endure any kind of political pressure that stems from economic reform as they perceive such pressure a hindrance to the ruling of Xi Jinping and the Communist Party. There was no economic reform during Xi's rule, and thus the distortion of the Chinese economy has further intensified. In the end, it is nearly impossible to revitalize the economy

without political and social liberation. In the context of political economy, the future of the Chinese economy is not quite so rosy. ❖

*※ Translator's note: This is a summarized unofficial translation of the original paper which was written in Korean. All references should be made to the original paper.*

*※ This article is written based on the author's personal opinions and does not reflect the views of the Sejong Institute.*