

**THE FIFTH PLENUM OF THE
CHINESE COMMUNIST PARTY:
CONFIRMING FIVE-YEAR PLAN
AND POLITICAL SUCCESSION**

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EAI Background Brief No. 574

Date of Publication: 28 October 2010

Executive Summary

1. The 17th Party Central Committee held its fifth plenum from 15 to 18 October 2010, with a new Five-Year Plan approved and heir apparent Xi Jinping promoted to vice-chairman of the Central Military Commission.
2. According to the plenum communiqué, it is clear that the next Five-Year Plan will emphasize more on the quality of economic growth than on high growth figures.
3. Xi's entry into the military has confirmed his standing as a successor to Hu Jintao in 2012. Xi is expected to play a crucial role in the new round of leadership reshuffle at the 18th Party Congress.
4. Xi's secured position is an illustration of the Party's capability in handling its power succession smoothly and peacefully.
5. Compared to the Maoist era and even the Deng (Xiaoping) era, Chinese political succession today has been greatly institutionalized. Hu Jintao, like his predecessor Jiang Zemin, cannot choose his own successor.
6. The past decade witnessed a better-than-expected economy. The 10th (2001-2005) and 11th Five-Year Plans (2006-2010) set the annual growth targets of 7% and 7.5%, but actual growth was 9.5% and over 10% respectively.
7. The next five-year plan will probably target a lower annual growth of around 7%, and an estimated yearly inflation rate of as high as 5%, in contrast to the 3% limit in the previous years.
8. The plenum communiqué has pledged to work harder to improve ordinary people's life, setting the "rapid income growth for most urban and rural people" as its major goal for the next five years.

9. Challenges remain however. A World Bank review of the current five-year plan (2006-2010) found “little progress has been made in rebalancing the overall pattern of growth, which has in turn limited progress on other key objectives.”