

Understanding Xi Jinping's Governance

Angang Hu · Yilong Yan ·
Xiao Tang · Shenglong Liu

2050 China

Becoming a Great Modern
Socialist Country

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Understanding Xi Jinping's Governance

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Chapter 1

China's Road to Socialist Modernization



The challenge of the road is the primary problem relating to the success or failure of the undertakings of the Party, and it is the life of the Party.

Xi Jinping (2013).

To realize the Chinese dream, we must follow China's own route. This route is socialism with Chinese characteristics. It is a tough path, for it is found in the reforms and opening up of the last 30 years; it is found in the continuous exploration of the last 60 years since the founding of the People's Republic of China; it is found in China's development of the last 170 years since the beginning of modern times; it is found in the inheritance of the time-honored civilization of the Chinese nation of the last 5,000 years. It has a profound origin and an extensive foundation.

Xi Jinping (2013).

Socialism with Chinese characteristics is the theme of all theories and practices of the Party since the reform period. The whole Party must hold high the banner of socialism with Chinese characteristics, have firm confidence in the path, theory, system and culture of socialism with Chinese characteristics, and ensure that the undertakings of the Party and China always progress in the correct direction.

Xi Jinping (2017).

The Chinese people have a dream: to pursue a happier and better life. The People's Republic of China (PRC) has a great objective: to realize the socialist modernization of China. The Communist Party of China (the Party) bears a historical mission: to realize the Chinese dream and the rejuvenation of the Chinese nation.

In choosing the road to realize the Chinese dream we must answer two key questions: How can China realize socialist modernization after its experience of backwardness and decline? How can China contribute to long-term human development?

Reviewing China's history since the founding of the People's Republic of China in 1949, it is clear that the aim and direction of the "China Road" is to accomplish socialist modernization with unique Chinese characteristics. Modernization is both a historical trend of contemporary human development, and the historical mission of contemporary China. Here the defining characteristic of the China Road is people-centered development, while the main task is to achieve China's two centenary goals.

By following this road faithfully, the Chinese people will achieve the realization of the Chinese dream and the rejuvenation of the Chinese nation.

1.1 Socialist Modernization Strategy: From “Three Steps” to “Two Stages”

The core problem facing China's leaders has always been how best to complete the transformation from late starter to modern socialist country. The lack of any existing model has meant that those leaders themselves have had to establish the path that China must take. They have done so through constant practice, vigilance, exploration, and innovation, ensuring that with each step, China grows stronger.

With the founding of the People's Republic of China, headed by Mao Zedong, China's leaders began their exploration of the road to socialist industrialization and modernization. Working towards the goal of economic modernization, their strategy moved from “national industrialization” to “four modernizations.”

In 1953, Mao Zedong proposed a gradual process to achieve first socialist industrialization, then the socialist transformation of agriculture, the handicraft industry and capitalist industry and commerce.¹ Based on this strategic thinking, China formulated and successfully implemented the first Five-Year Plan with the help of the Soviet Union.

In 1956, the 8th Party Congress proposed “four modernizations,” namely “developing the national economy in a planned way; realizing national industrialization as quickly as possible; systematically performing a technical transformation of the national economy by stages; and developing modernized industry, modernized agriculture, modernized transportation industry, and modernized national defense.”²

In 1964, following instructions issued by Mao Zedong, the government work report presented at the third National People's Congress proposed that future development of the national economy should focus on building China into a great socialist country with modern agriculture, industry, national defense, and science and technology; and that this should be done rapidly, to allow China to catch up with and surpass more developed countries. The work would be carried out in a two-step process: first the establishment of an independent industrial system and national economic system, and then the realization of widespread modernization in agriculture, industry, national defense, and science and technology. This would enable China's economy to be ranked at the forefront of the world.³

¹Mao Zedong (1999).

²*Constitution of the Communist Party of China* (adopted at the 8th National Congress of the Communist Party of China on Sep. 26, 1956). *Collection of Constitution of the Communist Party of China (from 1st Party Congress to 18th Party Congress)* (Central Party School Publishing House, 2013).

³*Selected Works of Zhou Enlai*, Vol. 2 (People's Publishing House, 1984), p. 439.

In 1975, the first Session of the 4th National People’s Congress reaffirmed the strategic objective of the four modernizations and the two-step strategic deployment.⁴

Since the reform and opening-up in 1978, the Party’s strategic thinking on how to achieve socialist modernization has changed from closed to open, from rhetorical to practical, and from superficial to more profound. In view of the basic national conditions, for example a large population, including 8 million in rural areas, weak foundations, and a per capita gross national product (GNP) that still lagged behind the rest of the developed world, in 1987 Deng Xiaoping adjusted the scheduled deadline to comprehensively realize the four modernizations from 2000 to 2050. In 1987, the 13th Party Congress made a decision regarding the primary stage of socialism, and proposed that the strategic deployment of China’s economic construction should be carried out in three steps. The first step, to be completed in 1990, would see the doubling of the GNP compared to 1980 and the provision of ample food and clothing for the people. The second step, to be achieved by the end of the twentieth century, would seek to further double the GNP, and to raise living standards for China’s population to a level of moderate prosperity. The third step, to be completed by the middle of the twenty-first century, would see the per capita GNP reach the level of moderately developed countries. At this stage, China’s population would enjoy the fruits of prosperity and fully realized modernization. Then, on that basis, China would continue to make further progress.⁵

At the 15th Party Congress in 1997, almost the turn of the century, the Central Committee of the Communist Party of China (CPC) proposed “two centenary goals.” Developed in response to the anticipated internal and external conditions in the first two decades of the twenty-first century, these goals are, first, to develop the national economy and improve various systems by the time of the Party’s centenary celebrations, that is, in the year 2021; and secondly, by 2049, the centenary of the PRC, to realize basic modernization, and complete the building of a modern socialist country that is prosperous, strong, democratic, and culturally advanced.⁶ This is the “three-sphere” modernization plan of economic prosperity, political democracy, and cultural civilization.

The report of the 16th Party Congress presented the first centenary goal in more detail. In order to build a moderately prosperous society by 2020, benefiting a population of over a billion people, China would achieve a range of specific objectives. These focused on economic growth; the development of a democratic political system; social, cultural, and educational technology aspects; and sustainable development.⁷ At that time only one core quantitative indicator was proposed, namely the quadrupling of the 2000 GDP by 2020. However, Zeng Peiyan, the Director of the State Development Planning Commission, proposed three quantitative indicators to be realized by 2020: (1) the per capita GDP would exceed US\$3,000, approximately

⁴Ibid. p. 479.

⁵Zhao Ziyang (1987).

⁶Jiang Zemin (1997a).

⁷Jiang Zemin (2002).

equivalent to the average level of middle-income countries in 2020; (2) the urbanization rate would exceed 50%; and (3) the proportion of people employed in agriculture would decline from the 50% in 2000 to approximately 30%.⁸ Thus, China had formulated the outline of its 11th Five-Year Plan.

In 2007, the 17th Party Congress made further reference to the first centenary goal, announcing new higher requirements for building a moderately prosperous society. It stated that by 2020, China would have achieved industrialization, significantly enhanced comprehensive national strength, and have a world-leading domestic market. China's population would enjoy greater wealth, significantly improved life quality, and a good ecological environment. The country would be characterized by democratic rights, a high quality of civilization and spiritual pursuits, peace and unity among its people, more perfect political systems and greater prosperity. It would have become open to the outside world, having greater affinity with and making greater contributions to human civilization.⁹ The core quantitative indicator proposed at that time was to quadruple the 2000 per capita GDP by 2020. Meanwhile, the National Development and Reform Commission put forward three quantitative indicators to be achieved by 2020: (1) per capita GDP would reach US\$5,000; (2) the proportion of primary industry in the employment structure would be reduced to about 30%; and (3) the urbanization rate of China would be close to 60%.¹⁰ These objectives constituted the outline of the 12th Five-Year Plan.

In 2012, the report of the 18th Party Congress summarized the general tasks of socialist modernization in the first half of the twenty-first century as follows: first, to complete the building of a moderately prosperous society in all respects by the year of the Party's centenary; and second, to build a modern socialist country that is prosperous, strong, democratic, culturally advanced, and harmonious by the time of the PRC's centenary. With respect to the former task, building a moderately prosperous society in all respects, the report listed specific development objectives pertaining to economic, political, cultural, social, and ecological environment construction. According to the spirit of the 5th Plenary Session of the 18th CPC Central Committee, and based upon the "five-sphere" integrated plan and the "four-pronged comprehensive strategy" of socialism, the 13th Five-Year Plan was formulated. With its focus upon completing the building of a moderately prosperous society in all respects, this was a key plan in the decisive stage to secure the victory of realizing the first centenary goal.

At the 19th Party Congress in 2017, the Constitution of the Communist Party of China was amended to include reference to the general task of socialist modernization in the first half of the twenty-first century. The Constitution outlined the strategic objectives of economic and social development for the new era in the new

⁸Assistant Reader of the Report at the 16th Party Congress (People's Publishing House, 2002 edition), p. 80.

⁹Hu Jintao (2007).

¹⁰Assistant Reader of the Report at the 17th Party Congress (People's Publishing House, 2007 edition), p. 92.

century, namely to complete the first centenary goal of building a moderately prosperous society in all respects by the time of the Party’s centenary celebration, and to complete the building of a great modern socialist country in all respects by the time of the PRC’s centenary. According to the report of the 19th Party Congress, China’s goal was to become “a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful. By then, China will reach new heights in every dimension of material, political, cultural and ethical, social, and ecological advancement, achieve the modernization of China’s systems and capacity for governance, become a global leader in terms of composite national strength and international influence, and basically achieve common prosperity for everyone. The Chinese people will enjoy happier, safer, and healthier lives, and the Chinese nation will become a proud and active member of the community of nations.”¹¹

In summary, the plan to ensure China’s socialist modernization began with a rejuvenation strategy via the “four modernizations” (1964–2000), which was followed by the “three-step” strategy of a modern socialist country under Deng Xiaoping (1980–2050). Currently, China is working towards the achievement of its “two centenary goals” (2000–2050), while adhering to Xi Jinping’s “two-stage” strategy of a modern socialist country for a new era (2020–2050). These strategies and goals, complementary and consistent rather than contradictory, and often running in parallel, reflect the continuity, innovativeness and uniqueness of the approaches to achieve socialist modernization with Chinese characteristics. These strategic concepts are not only fully reflected in the reports of all previous national congresses of the Party, but also specifically included and implemented in all previous five-year plans. They have acted as roadmaps for China as it progresses towards its destination of becoming a modern socialist country, while also providing clear staging posts, in the form of strategic objectives to be achieved along the way.

1.2 The Road to Socialist Modernization: Five Major Factors and Five Major Advantages

Five major factors that make the China Road unique, continuous, and innovative:

The first factor that characterizes the China Road is ever-increasing modernization. More specifically, China is expanding production to the greatest extent, creating wealth, and making the best use of modern knowledge, technology, education, and information. Because China was a latecomer to modernization, the process has been one of constantly catching up with developed countries, not only in terms of the economy, but also in educational, technological, and information and digital

¹¹ *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era*. Report delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

matters. It has been necessary to study and learn from the modernization factors of developed countries, while also tracking the innovation currently taking place. However, as a late starter with a late-development advantage, China can also be an innovator and torchbearer, taking the lead in creating modernization factors not yet possessed by the developed countries. As China becomes first increasingly modernized, then highly modernized, and finally a comprehensively modernized world power, it will enhance its creativity, and though innovation it will surpass the more established developed countries. Thus, the modernization of China is a process that began with learning and imitating, but will progress to paralleling and then overtaking. At present, China has reached a parallel position with a number of developed countries in respect of many indicators of modernization and national strength. In fact, in some indicators it has already surpassed some developed countries, although it lags behind in others.

The second crucial factor is that of increasing socialism. This institutional factor, which represents the greatest difference from Western capitalist modernization, enables common development, co-sharing, and prosperity for all the 1.37 billion people living in China, and gives full play to the institutional and political advantages of socialism. Only by adhering to socialism can China achieve national unity in diversity, and “common prosperity” for everyone, and only by constantly strengthening the socialist features and nature of the society can China mobilize all kinds of social forces to improve state strength and people’s livelihoods. In contrast, the capitalist system allows only very few people to become rich, and does not ensure prosperity for everyone. Therefore, China must remain focused on building a socialist society, and upon reaching a medium or high degree of development.

From the primary stage of socialism to the intermediate, and then the advanced stage, China is following a development process of constant evolution and constant strengthening. Currently in the “second half” of the primary stage of socialism, China has already developed important economic features that are usually found in an advanced economic entity, for example, innovation-driven growth, post-industrialization, green manufacturing and green energy; while also facing the challenges of an aging population and sub-replacement fertility. Furthermore, it has achieved modernization of the service industry, and informatization and digitization. These features reflect a situation in which development factors are becoming increasingly dominant, as underdevelopment factors decline.

The third distinctive factor is modernization with Chinese characteristics. This cultural factor is derived from China’s 5,000-year history, and is rooted in the practice of socialism with Chinese characteristics.¹² It has already contributed great innovation in the construction of a moderately prosperous society, such as the development concept of “eight societies, and one road,” that is: a society of common development and common prosperity; a national learning society; a society of national health and fitness; a society where people live and work in contentment; a resource-conserving and environmentally friendly society; a society of openness, innovation and knowledge; a harmonious and stable society; a democratic and law-based

¹²Jiang Zemin (1997b).

society, and a peaceful development road.¹³ The Party is not only the loyal inheritor and promoter of excellent traditional Chinese culture, but also the active advocator and developer of advanced Chinese culture.¹⁴ As China is gradually moving to the center of the world stage, Chinese culture is ushering in times of unprecedented development, prosperity, and rejuvenation, and has an unprecedented influence on world peace, development, cooperation, and win–win outcomes. This point will be elucidated in detail in Chapter Five.

The fourth factor is the ever-increasing emphasis upon green ecological concerns. Green modernization offers ecological products and services for the current generation and ecological wealth for future generations, and provides ecological safety for the world. China's road to modernization is one of innovation, and differs from the traditional development model by breaking the link between economic growth and rising greenhouse gas emissions, an association that began with the Industrial Revolution. China is pursuing an innovative green development model that will ensure sustained economic growth alongside a continuous decline of damaging emissions; indeed, it may even achieve the decoupling of economic activity from carbon emissions in the first half of the twenty-first century. The green modernization of China has two main objectives: (1) economic growth that is not associated with energy consumption, coal consumption, carbon dioxide emissions, water resource consumption, and pollutant emissions; and (2) the nurturing of nature, so that overall environmental quality is improved and ecological assets such as forests, grasslands, and wetlands, will be substantially increased. This approach will realize the ancient Chinese concept of “harmony between humans and nature,” whereby human beings are able to prosper without plundering the earth's natural resources, and nature continues to flourish. Such a development model will not only have great significance for the future development of China, but will also make great contributions to humankind.

The fifth factor is the leadership of the Party. Indeed, the Party exercises overall leadership over all areas of endeavor in every part of the country, and thus guides the socialist modernization of China.

Among the five major factors, Party leadership is the organizing core that causes the others to promote, complement, and correlate and interact with each other, and to jointly form the China Road. Furthermore, the five factors are organically combined to form five major advantages:

(1) Late starter advantage: All countries that have embarked upon processes of development have experienced, and continue to experience, continuous industrialization, informatization, urbanization, and modernization. In this sense, there are many similarities between China and other countries, in both the developed and

¹³Hu AnGang (2012).

¹⁴*Decision of the CCCPC on Some Major Issues Concerning Comprehensively Deepening the Reform and Promoting Socialist Cultural Development and Prosperity*, Oct. 18, 2011.

the developing world. As a late starter, China has particular Late Starters' Advantages.¹⁵ For example, it is able to draw lessons from the developed countries so as to avoid their mistakes, and to innovate in industrialization, information, urbanization, and agriculture at a newer, higher, and greener starting point, thereby realizing greater development. Consequently, China will be able not just to catch-up with other developed countries, but also to surpass their modernization level.

(2) Socialist advantage. China's road to modernization is not a capitalist road but a socialist road. Just as capitalist economies have developed much faster than pre-capitalist economies,¹⁶ so the Chinese socialist economy is developing much faster than all capitalist countries.¹⁷ As a socialist state, China has particular advantages. Not only will it catch up with and surpass, in just a few decades, the level reached by capitalist countries over a period of hundreds of years,¹⁸ but it will also have cohesion, avoid polarization, and gradually achieve common prosperity.¹⁹

(3) China's cultural advantage. During the 5,000 years of China's development, people of all ethnicities have created a rich civilization and a unified multiethnic state. Chinese civilization has a unique continuity, inclusiveness, and openness. In external relations, China has worked hard to learn from the strengths of other nations, constantly strived to become stronger, and has contributed to the progress of human civilization.²⁰ The Chinese road to modernization represents the great rejuvenation

¹⁵In an analysis of China's modernization published in 1991, Hu Angang pointed out that, as a modernized later-starter country, China enjoys many late starter advantages. This is because in the early and middle stages of industrialization, China can directly introduce appropriate technologies, processes, management experiences and enterprise organization systems, and attract foreign investment; moreover, by referring to the experiences of other countries, and learning from their successes and failures, it can avoid pitfalls and prevent damaging side effects in the modernization process. In this way it can achieve "leapfrogging" development, thereby shortening the period required for industrialization and modernization. Furthermore, China's participation in international competition helps optimize the structure of domestic industries and promote modernization of the economic structure. In addition, China's greatest resource is abundant labor at relatively low cost. As long as resources are well organized, correctly used, and become important sources of economic growth, social wealth can be created. Hu AnGang (1991).

¹⁶Over the thousand years or so leading up to the eighteenth century, the per capita income of Western European countries doubled only once every 630 years. Since the spread of modern capitalism, the per capita income of Western European countries now doubles every 50 or 60 years; that of the United States and Japan doubles every 40 and 25 years, respectively. Thomas McGraw (2010).

¹⁷In 1978–2018, China's annual average per capita GDP growth rate was 8.4%, equivalent to doubling every 8.3 years. National Bureau of Statistics: *China Statistical Abstract (2019)* (Beijing: China Statistics Press, 2019), p. 29. In the same period, according to the world bank database, per capita GDP growth rate for the OECD countries was only 1.7%.

¹⁸In 1964, Mao Zedong stated that it was reasonable for the later starter to surpass former leaders. China had many superior conditions, so it could be confident of catching up with and surpassing countries with advanced science and technology relatively quickly. In short, it will take a few decades for China to catch up with and surpass the level reached by Western capitalist countries over hundreds of years. *Collected Works of Mao Zedong since the Founding of New China*, Vol. 11 (Beijing: Central Party Literature Press, 1996), p. 272.

¹⁹Deng Xiaoping (1993).

²⁰Information Office of the State Council: *White Paper on China's Peaceful Development*, Sep. 2011.

of a civilization that has developed along one continuous line for 5,000 years.²¹ Compared with other countries and regions worldwide, China has embarked upon its modernization far richer in terms of historical and cultural resources. In the future, China's learning from its exchanges and interactions with other cultures around the world will be transformed into further abundant resources for civilization and cultural development. This will accelerate China's modernization and innovate Pantisocratic modernization with Chinese characteristics.

(4) Green ecological advantage. China's road to socialist modernization emphasizes the construction of ecological civilization. In this regard, China is playing an international leading role, providing an example of how development can continue while respecting, complying with, and protecting nature. It is introducing innovative green development, production modes, and consumption patterns, while vigorously developing green energy and investing in ecological development. Efforts are being made to accelerate the accumulation of green assets, create lasting harmony between humans and nature, build a beautiful China in all respects, and continuously create greater ecological advantages.

(5) Advantage in the leadership of the Communist Party of China. The most important feature of socialism with Chinese characteristics, the leadership of the Party, is also its greatest advantage.

As can be seen from the above, China should make full use of its **late starter advantages**, refer to and learn from Western modernization, and continue to narrow the gap between itself and the modernized Western countries. Meanwhile, **the institutional advantages of socialism** will allow China not only to speed its catch-up with Western countries, but also to create socialist modernization with common prosperity. Furthermore, by taking full advantage of its **unique unbroken cultural heritage**, China can continue to improve its soft power, and pave the way for a road to modernization that is Pantisocratic. Full use must also be made of the future advantage of **China's green ecological development**, in order to be innovative on the road to green modernization, and to achieve harmony among humans, nature, and sustainable development. Lastly, it is imperative that China realizes to the full its **biggest political advantage, namely the Party leadership**.²²

²¹Comrade Xi Jinping noted that China's ancient civilization is one of the four ancient civilizations, along with the ancient Egyptian, Mesopotamian, and Indian civilizations. However, while the other three have experienced interruptions, Chinese civilization has enjoyed one continuous line for 5,000 years and continues today. Xi Jinping, *Leading cadres shall read history*. Speech delivered at the opening ceremony of the 2011 Fall Semester of the Central Party School. *Study Times*, Sep. 5, 2011.

²²Robert Shapiro, former Undersecretary of the US Department of Commerce, believed that China's biggest advantage is not its economy but its politics. China has always followed an authoritarian system, and its leadership not only has strong political power and decision-making abilities, but also enjoys extensive support from society, which is unthinkable in India, Brazil and other large developing countries. This authoritarian system provides China with political ability and social discipline. Although the modernization process will affect the lives of hundreds of millions of common people, and is likely to form powerful interest groups, China can vigorously push its modernization process. Robert Shapiro (2009).

As long as China continues to make full use of its advantages, it will not only catch up quickly with developed countries, but will surpass them. Moreover, China will serve as an example and inspiration for southern countries to explore and practice a new type of modernization. Finally, by employing a range of diversified approaches, China will provide important strategies to solve the challenges of world development.

1.3 Methodology of the Road to Socialist Modernization: Innovation and Inheritance

The historical route of China's socialist modernization is neither straight nor pre-designed; rather it is a road that must be continuously explored, expanded, and revised. It is the combination and organic integration of "five major factors" and "five major advantages," and a constant process from quantitative change to qualitative change. It involves the destruction of old things and the formation of new ones, the elimination of backward productive forces and relationships, and continual adaptation of the economic base to the superstructure. It also involves a spiraling rise and dynamic transition of development capacity and development achievements, a shift from low to mid level, and then to high level. Therefore, China's development strategy is not uniform over time, and its historical evolution and practices are mutually validated and adjusted through trial and error. We shall always learn from history, practice, the people, and openness. China's road towards modernization will always be full of challenges, both external and internal, and both foreseeable ("grey rhinos") and unforeseeable ("black swans"). We need to identify these challenges promptly, respond to them actively, and most importantly convert them into opportunities. In order to do this effectively, China has adopted different strategies and policies in different periods, thus marking out different historical routes.

As can be seen from the historical evolution of the People's Republic of China, the China Road is the road to socialist modernization with Chinese characteristics. As a process of evolution, this cannot be achieved overnight, but needs to develop gradually with different development objectives, strategies, and stages over time. This process has now been taking place for nearly 70 years.

The first generation of the central collective leadership of the Party, with Comrade Mao Zedong as the core, united and led the whole Party and China's people to a great victory in the new democratic revolution. Under Mao Zedong, China asserted itself; the country "stood up," and established its first socialist system, which was the most profound and greatest social reform in the history of China. The Party laid the fundamental political and institutional foundation for the whole future development and progress of contemporary China. Within the given circumstances of a "poor material foundation and backward culture and science" and a "large population and weak military strength and technological strength," the first generation central collective leadership of the Party established a relatively independent and complete modern industrial system. It also created a national economic system, modern education

system, and a health care and medical system. Science and technology, modern national defense, and military capability were also introduced. These developments laid the foundation for various forms of capital, including material, human, science and technology, national defense, and institutional capital, for the socialist modernization of China and its rise as a world power. In order to achieve these successes the first generation of the central collective leadership of the Party had to overcome many challenges, at a very high cost. Nevertheless, in its exploration and development of the Chinese road it provided valuable experiences and profound lessons for the success of later generations. This rich experience represents one aspect of China's political wealth.²³

The second generation of the central collective leadership of the Party, with Comrade Deng Xiaoping as the core, provided steady guidance for China as it began a course of reform and opening up. This represented a new stage of socialist modernization with Chinese characteristics and a new period of socialist development. Production was encouraged and the Party began to allow people to "get rich," took the lead in developing coastal areas according to the theory that "some people must get rich first," and successfully broke through the biggest "poverty trap" of underdeveloped countries.²⁴ China was then able to provide ample food and clothing for 1.1 billion people and to successfully realize the first-step objective of its three-step modernization.

The third generation of the central collective leadership of the Party, with Comrade Jiang Zemin as the core, provided strong guidance for the Party and the people as China continued to implement the program of reform and opening up, while adhering to socialism under the double pressure of Western supremacy and the serious challenges facing world socialism. The Party established an innovative socialist market economic system, successfully responded to the external shock of the Asian financial crisis, and achieved an increase in people's standard of living, thus reaching the goal of moderate prosperity, the second-step objective of the "three-step" modernization process. Furthermore, it realized the return of Hong Kong and Macao to the motherland. With these achievements, the Party successfully pushed the great socialist cause with Chinese characteristics into the twenty-first century.

The central collective leadership of the Party with Comrade Hu Jintao at the core governed in an important period of strategic opportunities. It put forward the concept of people-oriented scientific development with the core objective of the comprehensive construction of a moderately prosperous society that would benefit the largest population. The Party at this time also emphasized comprehensive, coordinated, and sustainable development, building a harmonious socialist society, and speeding up the construction of ecological civilization to gradually form the "three-sphere" and "four-sphere" integrated plans of socialist modernization. Rising to the opportunity to join the World Trade Organization, China greatly expanded its internal and external

²³See "Historical Evaluation of Mao Zedong Times," in Hu AnGang (2016).

²⁴In development economics the "poverty trap" refers to the situation in which developing countries lag behind and find it difficult to eliminate poverty and backwardness because of vicious circles in the economy.

development spaces, and successfully responded to the external shock of the international financial crisis. In this period, China's economy and trade leaped into second place in the world rankings, and moved from the low- to middle-income stage to the middle and high levels. Indeed, China became a society with the largest middle- and high-income populations in the world, and the vast majority of people now enjoyed living standards well above the world average.

The road to socialist modernization with Chinese characteristics is impossible to complete within one short process. Instead, many historical processes of innovation and development and successes and failures play their part. There are connections between what has happened before and what is yet to happen, and the road advances with the times, with constant innovation and upgrading. In the same way, the different Chinese leaders have had different understandings of China's road to socialist modernization, and have provided vision and guidance suitable to the circumstances of their time.

A summary of the socialist modernization history of the People's Republic of China over nearly 70 years shows that the China Road is a road of learning, trial and error, reform, improvement, and upgrade. Chinese leaders do not believe without question what is written in books, nor simply follow what Western countries do or dogmatists say. They know that there is no universal mode that is applicable everywhere and in any situation; worldwide, there is no "best" system, nor an entirely complete system, but only the system that is most suited to each individual nation. Certainly, Chinese leaders and the people are willing to learn from advanced countries and regions around the world, but they never indiscriminately copy foreign models. Instead, they reference, transform, and innovate. For example, China designed its five-year plans and medium- and long-term plans with Chinese characteristics based on the five-year plans of the Soviet Union.²⁵ A further example is that of China creating a socialist market economy with Chinese characteristics based on the market economy of Western countries.²⁶ In particular, China respects local initiatives, and attaches great importance to the promotion of pilot programs, such as that for the local initiative that aimed to "fix farm output quotas for each household." This started in the village of Xiaogang and was then extended to a nationwide household contract responsibility system in various regions. China has adhered to independence, and learned and made adjustments based on practice and experimentation. Furthermore, China has learned to analyze specific issues, thereby avoiding indiscriminate acceptance or rejection. In other words, it has kept the baby rather than throwing it out

²⁵The five-year plans of the Soviet Union generally focused on industrialization and heavy industry, while China's five-year plans and medium- and long-term plans are not limited to economic aspects but cover many areas, including social, cultural, technological, and ecological fields.

²⁶Compared with the traditional Western market economy, the biggest difference and innovation of the market economy with Chinese characteristics is that we have not only the invisible hand of the market, but also the visible hand of government under the guidance of the five-year plans and the medium- and long-term strategic plans. These "two hands" form a resultant force that is better, steadier, and faster than one hand.

with the bathwater! This system was not intentionally designed in advance, but grew out of a process in which the Chinese people were feeling their way forward by trial and error, always insisting on the truth, and immediately correcting mistakes.

Since the 18th Party Congress, the CPC Central Committee with Comrade Xi Jinping as the core has led the Party, the armed forces, and the people to adhere to and further develop socialism with Chinese characteristics. It has systematically summarized the successful experiences and lessons of the road to socialist modernization over the past 70 years and has correctly evaluated two historical periods: one before and one after the reform period. As Xi Jinping has stated, the two periods are associated with but different from each other, and represent a practical exploration of socialist construction made by people under the leadership of the Party. While socialism with Chinese characteristics was largely initiated in the new historical period of reform and opening up, it was also based on the establishment of a socialist system and the economic construction that took place more than 20 years before the reform.²⁷ The China Road is an important chapter in China's story. Therefore, as Xi Jinping insisted, "now the mission of this generation of communists is to keep writing this important chapter."²⁸

Today, the CPC Central Committee with Comrade Xi Jinping as the core provides overall leadership for development at home and abroad, controls future general development trends, understands the rules of economic development, social development, and human development, and has formed a series of new concepts, ideas, and strategies on the governance of China. Furthermore, the Party has presented the concept of "people-centered" development, promoted the "six-sphere" integrated plan of socialist modernization (including the two newly added spheres of developing national defense and armed forces), while also harmoniously promoting the "five-pronged" comprehensive strategy (including the newly added comprehensive participation in global governance).²⁹ China is now entering a new era as a world power, and taking the center of the world stage.

²⁷Propaganda Department of the Central Committee of the Communist Party of China (CPC), *Reader of a Series of Important Speeches of the General Secretary Xi Jinping* (Xuexi Publishing House, People's Publishing House, 2016 edition), pp. 30–31.

²⁸Ibid. p. 38.

²⁹The "six-sphere integrated plan" refers to economic, political, cultural, social, ecological civilization, and national defense construction. The "five-pronged comprehensive strategy" refers to the comprehensive construction of a moderately prosperous society, deepening reform and opening up, promoting the law-based governance of China, strengthening Party discipline, and participating in international governance. See Hu AnGang: "'Five-pronged Comprehensive Strategy' and 'Six-sphere' Integrated Plan-Evaluation on Governance of China since the 18th Party Congress." Special Issue of *China Study*, No. 11, 2016.

1.4 The Course of Socialist Modernization: Ten Major Changes

Since the foundation of the PRC nearly 70 years ago, its leaders have always sought to ensure socialist modernization under the national conditions of China. However, certain factors of socialist modernization need to change as the course of socialist modernization evolves through different stages of socialism. In the first stage, many opposing factors (e.g., underdevelopment and prosperity, limiting and driving factors, and negative and favorable factors) coexist and compete with each other within inverse relationships and reciprocal transformation. They not only promote China's historical process of industrialization, informatization, urbanization, and agricultural modernization, but also limit that process.

The general trend is one in which the scope of underdevelopment factors is constantly narrowing, while that of prosperous development factors is constantly expanding. The process to eliminate underdevelopment and that of encouraging development occur simultaneously. As underdevelopment factors are gradually eliminated, so too underdevelopment characteristics are reduced. At the same time, as China becomes more developed prosperous development factors increase, as do the corresponding characteristics. Consequently, the modernization process is dynamic, with constantly changing differences and imbalances, and an eventual shift from quantitative change to qualitative change.

In this light, we can summarize the evolution of socialist modernization in China through ten major changes:

(1) The process of socialist modernization is one of the gradual elimination of underdevelopment, and a move towards moderate development. This is clearly reflected in the continuous improvement of the per capita income level. The core objective of socialist modernization is to achieve well-rounded human development; an increase in per capita income is a direct means and a basic guarantee to achieve this objective. China thus far has achieved a historical leap, starting from a very low-income stage (before 1978 the per capita GDP was less than USD 637, in purchasing power parity 2011), then advancing to the low-income stage (in 1990 per capita GDP = USD 1516) and then from the low- to middle-income stage (per capita GDP = USD 3678 in 2000) to the middle- to high-income stage (per capita GDP = USD 9430 in 2010). It is expected that in the next stage of the socialist modernization process, China will successfully enter the ranks of other high-income countries, transitioning from the world's largest middle- to high-income population to the world's largest high-income population.

(2) Socialist modernization is a historical process in which the development capacity and development level of all people are continuously improved. This is prominently reflected in the continuous improvement of the human development level. The human development index (HDI) measures the social and economic development level of a country based on life expectancy, education level, and life quality. An improvement in the HDI means that people have achieved more well-rounded development at a higher level, and the modernization level of human capital

has been continuously improved. China began with a very low level of human development (HDI < 0.400 before 1978) and has now achieved a high level (HDI > 0.700 in 2011). In 2015, China's HDI reached 0.738, ranking 90th among 188 countries. It is expected that in the next stage of the socialist modernization process, China will enter the ranks of those countries with very high levels of human development (HDI > 0.800). This will represent an important symbol of the "post-prosperity era."

(3) Socialist modernization is a development process that gradually reduces and then ultimately eliminates poverty. The effects of this process are prominently reflected in a continuous and significant decline of the rural poverty rate. The socialist modernization process is the modernization of all people, and its achievements must benefit every household and every person. In this light, the decline of the rural poverty rate fully reflects the essential characteristics of the socialist modernization of China. China has achieved a substantial decrease in the rural poverty rate, from 97.5% in 1978 to 4.5% in 2016. During that period, China's poverty-stricken population in rural areas decreased from 770 million to 43.35 million. By 2020, there will be no poverty in rural areas, or in any counties—China will have solved all regional poverty. When this is achieved, in just 42 years (1978–2020) China will have transformed from a society with the largest poverty-stricken population in the world to a "moderately prosperous society" with the largest middle- to high-income population in the world. This will be a true miracle in the history of human development.

(4) Socialist modernization is a development process that constantly improves people's living standards, taking them out of poverty and providing them with ample food and clothing, moving them first into moderate prosperity and then to even greater wealth. This process is prominently reflected in the optimization of the consumption structure of urban and rural residents. The optimization of the consumption structure indicates that the improvement of the per capita income level does genuinely improve people's living standards, and that the modernization process does improve their disposable income freedom and personal freedom. Regarding the Engel coefficient (proportion of food expenditure to living expenditure) of rural residents, China has achieved a historical leap, from a position of absolute poverty (Engel coefficient of rural residents >60% before 1983) to a state of greater wealth (Engel coefficient of rural residents <40% in 2012). The coefficient reduced to 32.2% in 2016, approaching that of wealthier nations (Engel coefficient <30%). It is estimated that by 2020 the coefficient will be yet lower, representing a moderately prosperous society in all respects.

(5) Socialist modernization is a development process that gradually realizes industrialization, informatization, urbanization and agricultural modernization in a traditional agricultural country. Socialist modernization can only be achieved based on a significant improvement to productivity, and this must be accompanied by the optimization of the economic structure in a more advanced and rational direction. To date, China has made a historic achievement, starting from a position of backward development in terms of industrialization and modernization (in the early years after the founding of the People's Republic of China the modern economy accounted for only 10% of the national economy), then securing

the basic realization of the industrialization and post-industrialization era (in 2016, the proportion of industrial added value in GDP had declined to 33%, and that of the service industry had increased to more than 50%). The future trend will be to establish a modern economic system, adhere to quality first, give priority to benefits, and improve the total factor productivity mainly around the supply side structure of reform. It is also important to promote China's economy to evolve to a stage where it possesses a more advanced form, a more optimized labor division and a more reasonable structure through the integrative development of new industrialization, informatization, digitization, and a modern service industry. This will be an important symbol representing the move towards the industrial structure of an advanced economic entity.

(6) Socialist modernization is a historical process whereby a country undergoes a gradual transformation. It starts with a very large agricultural population and mainly relies on manual labor. However, it transforms into an industrialized country in which the non-agricultural population is the majority, and the modern agricultural and service industry are the leading industries. Socialist modernization requires the modernization of the economic system, production, industry, and enterprise, and is also likely to lead to the large-scale migration of industrial populations to higher industrial forms. China has achieved a significant historical leap by transforming from a nation based on agriculture (in 1978, 70.5% of all workers were employed in the agricultural sector) to one with a growing service industry (in 2015, 43.8% of all workers were employed in the service industry). In the future, with the continuous development of service, urbanization, informatization, and digitization, the proportion of workers in the service industry will continue to increase, and that of workers in agriculture and industry will further decrease. This trend represents the transition towards the employment structure of an advanced economic entity.

(7) Socialist modernization is a process that gradually narrows the gap of greatly imbalanced regional economic and social development by first developing particular regions and then others. Balanced regional development is an important step to complete the creation of a modern socialist society in all respects. To achieve this, China is following a strategy in which first just a few regions are developed, and then gradually more and more, until full and balanced regional development has been accomplished. In more detail, China has created three supporting zones of the "Belt and Road" initiative and initiated strategies of coordinated development for Beijing-Tianjin-Hebei and the Yangtze River Economic Zone. Furthermore, a general pattern of "across east and west, and through north and south" has been established to integrate four major economic zones: eastern coastal, central, western, and northeast. These measures are beneficial to achieve regional and nationwide integration, further promoting the regional and international integration of the "Belt and Road," and greatly enhancing efforts to continuously narrow regional gaps. This is important to achieve balanced, active, and common development.

(8) Socialist modernization is a historical process of the gradual transformation of a country with very large illiterate and semi-illiterate populations

and backward technological education to a country with advanced technological education. Socialist modernization is essentially human modernization, and therefore one measure of its success is to be found in improvements to technological education and the level of per capita education. In 1949, the average number of schooling years of China's working-age population was 1.0. By 2015 this had increased to 10.2. This achievement represents a historical increase in China's level of human capital. Furthermore, it reflects the essence and core significance of socialist modernization as "people-centered."

(9) Socialist modernization is a long-term process, in which the gap between nature and humans first widens, then gradually narrows, until finally a harmonious coexistence between the two is achieved. The relationship between humans and nature is crucial to the process of achieving socialist modernization. The understanding and orientation of, and attitude towards, the relationship between humans and nature are related to the scientificity and sustainability of the socialist modernization process. In China the gap between humans and nature initially increased, but is now narrowing. During the period of the 13th Five-Year Plan, China will enter a stage in which the environmental quality will be generally improved and green, low-carbon production modes and lifestyles will become the norm. Furthermore, energy resource development and utilization efficiency will significantly increase, the total amount of main pollutant emissions will be significantly reduced, and the layout of China's main functional areas and eco-security shield will be established. Thus, China is entering an era of ecological civilization construction, green development, and ecological surplus.

(10) Socialist modernization is a historical process whereby the gap between China and advanced countries is gradually narrowed and the great rejuvenation of the Chinese nation is realized. These achievements are all based on socialism. The course for China to realize socialist modernization is also the course whereby China takes its place at the center of the world stage and is able to complete its great national rejuvenation. Compared with the United States, in terms of the total GDP index (by purchasing power parity, 2011 international dollar), export volume, generation capacity, and number of invention patent applications, China has achieved considerable improvements. In 1950, China was a backward nation in all respects. Yet by 2015, China had successfully caught up with and even surpassed more established developed nations in all aspects of the economy, international competitiveness, modernization, and technology innovation. This directly reflects the superiority and huge potential of the socialist system of China.

In short, it took nearly 70 years for China to develop from disunity to a great unified country that is home to many nationalities. China has become a world power. It has developed from an industrially backward country to become a global leader of industry, from a country with backward technology to a world innovator, from a country with no coherent traffic system to one with a world-leading modern traffic infrastructure. What was once considered the largest traditional rural society in the world is now the largest modern urban society. Once described as a country with poor material foundation with backward culture and science, China is now a leading economic power. It has further transitioned from a big power that is the home to

illiterates” to a “great power rich in human resources. Similarly, China was known as the “sick man of East Asia,” but is now healthy and thriving; it was a poverty-stricken big power, but is now a “moderately prosperous society.” China has also transformed from a closed society to a comprehensively open society, and from a closed country with a backward culture to an open power with advanced soft power. While it was once a country with a large population and weak military and technological strength, it is now a great power which ranks highly in global terms in all aspects of national strength. All these changes reflect the success and the great achievements of the China Road to socialist modernization.³⁰

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³⁰See Hu AnGang and Yan YiLong (2016).

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Chapter 2

People-Centered Comprehensive Modernization



The people-centered development philosophy is not an abstract, abstruse concept. We will not restrict ourselves to lip service or idle reflection, but put it into practice in all areas of social and economic development.

Xi Jinping (2015).

Xi Jinping, *The Governance of China Vol. II*, p. 235.

In nature, the philosophy of shared development represents the idea of people-centered development. It reflects the demand of achieving shared prosperity in stages. Shared prosperity is a primary goal of Marxism; it has also been a basic ideal of the Chinese people.

Xi Jinping (2016).

Xi Jinping, *The Governance of China Vol. II*, p. 236.

Committing to a people-centered approach. The people are the creators of history; they are the fundamental force that determines our Party and country's future. We must ensure the principal status of the people, and adhere to the Party's commitment to serving the public good and exercising power in the interests of the people. We must observe the Party's fundamental purpose of wholeheartedly serving the people, and put into practice the Party's mass line in all aspects of governance. We must regard as our goal the people's aspirations to live a better life, and rely on the people to move history forward.

Xi Jinping (2017)

Report adopted at the 19th Congress of the Communist Party of China

The socialist modernization of China is not simply a matter of catching up with developed countries to attain their level of modernization. More importantly, it involves innovation, to achieve a form of modernization that is different from and superior to traditional Western capitalist modernization.

The modernization of China is socialist modernization with Chinese characteristics, and is essentially people-centered. As mentioned in the first chapter, this process is built upon five fundamental factors, namely modernization, socialism, Chinese culture, a green factor, and the leadership of the Communist Party of China, which work together to promote people-centered modernization.

Comrade Xi Jinping's concept of people-centered development is multi-faceted, where the most prominent aspects are: (1) free and well-rounded human development,

which is the objective pursued by Marxism; (2) material modernization; (3) the key role of the people in driving and promoting the modernization process, which in turn implies (4) the importance of mobilizing the enthusiasm and creativity of the people, believing in and relying upon the people to jointly create socialist modernization; and (5) development achievements are shared by all the people. These five aspects are the ideological soul and theoretical basis for realizing socialist modernization.

Hence, the socialist modernization of China is essentially the modernization of well-rounded human development, as defined in the Constitution of the Communist Party of China.¹ It includes modernization at individual, social, national, and global levels. At the individual level, such modernization fully reflects the Marxist concept of free and well-rounded human development,² while at the social level, the intent is to build a developed society of shared prosperity. Nationally, the aim is to complete the building of a great modern socialist country, while at the global level it is to hold high the banner of peace, development, cooperation, and win-win outcomes; and to become an advocate, practitioner, and torchbearer of a global community with a shared future. A modern, socialist China will continue its efforts to safeguard world peace, contribute to global development, and uphold international order.³

2.1 Transition from Economic-Centered Modernization to People-Centered Modernization

Progress within socialist modernization with Chinese characteristics must be accompanied by a development or transition of Party theory. One such transition is reflected in the shift from economic modernization to the modernization of the people. As Mao Zedong explained: “Man’s knowledge makes another leap through the test of practice. This leap is more important than the previous one.”⁴

Socialism with Chinese characteristics has entered a new era. China is now in a stage of middle to high incomes and of high human development. Currently, efforts are focused upon reaching the stage of high income and very high human development. Meanwhile, the theoretical innovation required to meet these goals is prominently reflected in the transition from a strategy that is “economic-centered” to one that is “people-centered,” as envisioned by Comrade Xi Jinping.

¹The Constitution of the Communist Party of China (partially modified at the 18th National Congress of the Communist Party of China on Nov. 14, 2012) highlights the need to constantly meet the ever-growing material and cultural needs of the people and to promote well-rounded human development on the basis of production development and the growth of social wealth.

²Marx and Engels stated in the *Communist Manifesto* that the new society “will be such a complex, where each person’s free development is the condition of all people’s free development.” *Collected Works of Marx and Engels*, Vol. 2, People’s Publishing House, 2009 edition, p. 53.

³Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era*. Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

⁴Mao (1963).

In fact, the people-centered concept is the core of Party governance, influenced and designed by Mao Zedong and Deng Xiaoping. Over the years it has undergone significant improvement via continuous exploration. With his assertion that people are the creators of history, Comrade Mao Zedong defined the purpose of the Party and armed forces to serve the people. Indeed, the mass line is one of the three basic aspects of the living soul in Mao Zedong's line of thought.⁵

In 1956, the 8th Party Congress proposed that the main task of the Chinese people was to focus efforts to develop the productive forces, realize national industrialization, and gradually meet the ever-growing material and cultural needs of the nation. However, history advances with twists and turns. Later, the policies of the 8th National Congress were rejected and replaced with the concept of the "class struggle." That phase was to last for ten years.

The 3rd Plenary Session of the 11th CPC Central Committee, which took place in 1978, made the decision to stop using the term "class struggle," as it was deemed unsuitable as the slogan of a socialist society. Henceforth, the focus would be on socialist modernization.⁶ Later, the Party's basic line was summarized as an "economic centered strategy." According to the general program of the Party Constitution, formulated in 1982, the central task of the Party is to lead the Chinese people of all ethnic groups in a concerted effort to carry out socialist modernization and economic construction. A further objective is to gradually improve the living standards in urban and rural areas through production development and social wealth growth.⁷ These all reflect the people-centered ideology.

This decision to stop using the term "class struggle" was a major turning point in history, and was the start of China's unique socialist modernization. From a historical perspective, the economic centered strategy was an essential first stage, reflecting the need for economic and material modernization. In 1978 the rural poverty rate was as high as 97.5%, and as Deng Xiaoping realized, if socialist modernization were to be achieved, the primary task was to "grow rich." Otherwise, it would be impossible for China to break through the poverty trap, let alone provide ample food and clothing.

In 2000 Comrade Jiang Zemin proposed the theory of "three represents," according to which the Party must always represent the development trends of advanced productive forces, the orientations of an advanced culture, and the fundamental interests of the vast majority of the Chinese people, who are the fundamental starting point and objective of socialist modernization. The overriding aim is to meet the material and spiritual needs of the broad mass of people.

In 2003 Comrade Hu Jintao proposed a "people-oriented" scientific outlook on development. This approach officially placed the people at the core of development, and clearly stated that development is for the people, relies on the people, and leads to

⁵*Decision on a Number of Historical Issues of the Party since the Founding of New China*. Unanimously approved at the 6th Plenary Session of the 11th CPC Central Committee on Jun. 27, 1981.

⁶*Ibid.*

⁷*Constitution of the Communist Party of China*. Approved at the 12th National Congress of the Communist Party of China on Sep. 6, 1982.

achievements that are to be shared by the people. Such comprehensive, coordinated, and sustainable development seeks to realize the well-rounded development of all China's people.

As mentioned in the ancient Chinese classics, "there are some fixed principles in governing a state, among which benefiting the people should be the root."⁸ Scientific socialism is the jewel in the crown of all human civilization mainly because it emphasizes the role of the people, systematically applying to all theories and practices the principle that people are the creators of history. Furthermore, under scientific socialism the objective of all theory and social development is the well-being of the people.

The concept of people-centered development was first introduced by Comrade Xi Jinping. As he pointed out, the people are the creators of history; they are the fundamental force that determines the future of our Party and our country. We must ensure the principal status of the people, and adhere to the Party's commitment to serve the public good and exercise power in the interests of the people. We must observe the Party's fundamental purpose to wholeheartedly serve the people, and put into practice the Party's mass line in all aspects of governance. Our goal must be achievement of the people's aspirations to live a better life, and we must rely on the people to move history forward.⁹ This reflects the idea that modernization serves the development of humankind.

2.2 People-Centered Socialist Modernization

In proposing the concept of people-centered development, Comrade Xi Jinping defined what had always been the essence of the Party's ideology and governance. The concept represents the fundamental purpose of socialist modernization, and includes five key features:

1. **The purpose of socialist modernization is to achieve well-rounded human development.** Marx pointed out that revolutionary movements are carried out by the proletariat to break their shackles and realize human liberation. The difference between the Communist Party of China and other parties is that socialist modernization aims at "well-rounded human development." This includes not only economic, social, cultural, and political development, and the achievement of ecological civilization, but also free development and the well-rounded development of each individual person. China's development plan, which comprises five-year plans and medium- and long-term plans, is a combination of macro and individual development. It is essentially a plan for common development for

⁸Xi Jinping, *The Governance of China II*, p. 235.

⁹Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era*. Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

everyone. Human comprehensive development is a state in which “man appropriates his total essence in a total manner, that is to say, as a whole man.”¹⁰ As such, unlike developmental economics, which uses material accumulation or a single index as the base unit of analysis, comprehensive development takes into account the whole human life cycle. The Party has inserted this idea in specific national plans, thus moving from abstract people to specific persons.

2. **Socialist modernization extends beyond economic aspects to holistic human development.** The purpose of socialist modernization is to realize well-rounded human development, and its essence must be modernization in human terms. Individual modernity is essentially an enhancement of the human capital of the 1.37 billion people living in China. That is, it promotes well-rounded human and social development by investing in people in different stages of their lives. This requires attention not only to material aspects, but also to the people’s spiritual, social, cultural and ecological development, and security, throughout their whole lives. Therefore, in the developmental process we promote the coordinated development of the economy, spiritual well-being, society, culture, and ecological civilization.
3. **People play the principal role in socialist modernization.** Dialectical and historical materialism holds that people create history,¹¹ and that they are the subjects for creating social wealth.¹² The essence of socialist modernization is the development from a “realm of necessity” to a “realm of freedom.” In this process, not only does everyone rely on others, but also, the development of each individual has a spillover effect on the development of others, thus forming a complementary and correlated development process among individuals. Therefore, development is not only the free and well-rounded development of individuals, but also an interactive, sharing and common development with others. This community of development is not only a community of interests consisting of 1.37 billion Chinese people, but extends across borders to create a global human community with a shared future. “Only in community [has each] individual the means of cultivating his gifts in all directions,”¹³ and only in such a community will “the conditions of the free development and movement of individuals [be] under their control.”¹⁴
4. **The driving forces of socialist modernization are enthusiasm and creativity.** The ultimate objectives of national modernization are to constantly mobilize people’s enthusiasm, and to constantly emancipate the productive forces of the

¹⁰Karl Marx, *Economic & Philosophic Manuscripts of 1844*, Progress Publishers, Moscow 1959. See: <https://www.marxists.org/archive/marx/works/download/pdf/Economic-Philosophic-Manuscripts-1844.pdf>.

¹¹*Selected Works of Mao Zedong*, Vol. 5, People’s Publishing House, 1977 edition, p. 253.

¹²*Collected Works of Mao Zedong since the Founding of New China*, Vol. 5, Central Party Literature Press, 1991 edition, p. 490.

¹³*The German Ideology*. Marxists.Org, 2019. Available at: <https://www.marxists.org/archive/marx/works/1845/german-ideology/ch01d.htm>.

¹⁴*Ibid.*

people. The modernization of national governance and the comprehensive deepening of reform aim to combine the people's objectives with national objectives, and the people's interests with national interests. Since the 18th Party Congress, a series of institutional reforms have been designed to closely focus on the "people," and to fully mobilize their enthusiasm and creativity. These reforms also aim to unify the thoughts and actions of the people, and different regions and departments, around the concept of people-centered development, so as to realize compatible ideas, objectives, motives, actions, and results.

5. **Socialist modernization promotes all-round social progress and guarantees well-rounded human development.** The principal contradiction currently facing Chinese society is that between unbalanced and inadequate development on one side, and the people's ever-growing need for a better life on the other. Full development of human beings is dependent on all-around social progress. As Xi Jinping has stated, this requires that "we must devote a great amount of energy to addressing developmental imbalances and inadequacies, and to push hard to improve the quality and effect of development. With this, we will be better placed to meet the ever-growing economic, political, cultural, social, and ecological needs of our people, and to promote well-rounded human development and all-round social progress."¹⁵

Since its foundation, the Party has always made the people-centered concept the basis for its own growth and governance. This focus emerged not just because it is an essential requirement of the Party as a proletarian party, but because China has a large population, developmental differences, and conflicts between individual interests, short-term interests, and local interests. As the largest developing country in the world, China needs to have a powerful party that represents the overall, fundamental, and long-term interests of all the people to first catch up with and then overtake other countries in terms of development. Only in this way can the interests of the Party, the state, and the people be unified in a novel and significant way, thus transcending the erroneous theory of binary opposition between the state and society and between the state and the people. This is the Party's historical experience of success, and the foundation of its legitimacy.

People-centered socialist modernization is built upon, and further develops, the theories of Marxism-Leninism, Mao Zedong, Deng Xiaoping, the "Three Represents," and the scientific outlook on development. It is both a comprehensive expression of, and an innovation stemming from, an ideological system. China's own unique mode of socialist modernization can solve prominent problems with a view to the overall situation and long-term interests, and it also represents the valuable theoretical and ideological wealth of the Party.

The people-centered concept clarifies the principal status of the people in China's socialist modernization, thus reflecting the objective of the Party's governance and the purpose of national development. Guided by this concept, the Party will continue

¹⁵ Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era*. Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

to address prominent problems and challenges in the development of China. Indeed, the people-centered strategy is itself an important innovation leading the way towards China's future, and a significant reform related to the overall development of China and the world.

2.3 Transition from “Development Is the Absolute Principle” to “Six Major Ideas of Development”

The earliest and most important consensus of the socialist modernization of China is “development is the absolute principle.”¹⁶ The fundamental objectives of socialist modernization are to emancipate and develop the productive forces, eliminate exploitation and polarization, and achieve common prosperity. Indeed, socialist modernization could not be achieved without the emancipation and development of productive forces.

For whom, then, will the productive forces be developed, and how? These are core questions that must be carefully explored and answered.

Different development stages require different tasks guided by different development concepts. In practice, the concept is constantly evolving, advancing and updating with the times, constantly guiding practice with more scientific theories, and pushing China to keep on growing and developing.

Comrades Deng Xiaoping and Jiang Zemin emphasized that we need to seize available opportunities and accelerate development around the center of economic construction.¹⁷ This development strategy was formulated based on China's national conditions, with its large population, relatively small amount of arable land, weak foundation and per capita GNP at the bottom of world rankings.

Comrade Hu Jintao's emphasis on scientific development was a response to China's national conditions in relation to foreign development experiences, and an analysis of the characteristics of China's situation in the low- and middle-income stage of development at the start of the twenty-first century. The scientific outlook has development as its first priority, with the people-oriented principle at its core; the basic requirement is comprehensive, coordinated, and sustainable development, and the fundamental method is a holistic consideration of all aspects.¹⁸

In the new era, looking forward to 2050, the simple truth that “development is the absolute principle” will be bound to develop in a more profound and more comprehensive way. Reflecting this fact, the 5th Plenary Session of the 18th CPC Central

¹⁶Deng Xiaoping, Talking Points in Wuchang, Shenzhen, Zhuhai, Shanghai, etc., *People's Daily*, 6th November, 1993.

¹⁷Jiang Zemin, *Accelerate the pace of reform and opening up and modernization, win a greater victory of the socialist cause with Chinese characteristics*. Report at the 14th National Congress of the Communist Party of China, Oct. 12, 1992.

¹⁸Hu Jintao, *Hold High the Great Banner of the Socialism with Chinese Characteristics, struggle to win a new victory of building a moderately prosperous society in all respects*. Report at the 17th National Congress of the Communist Party of China, Oct. 15, 1997.

Committee stressed the need to implement innovative, coordinated, green, open and shared development for everyone. Such an approach builds on existing development philosophy and China's valuable experience, while also considering new trends. By following this path we can realize the development objective during the period of the 13th Five-Year Plan. We will also solve China's development problems and strengthen our development advantages.

Furthermore, Comrade Xi Jinping has reframed the relationship between security and development and insisted upon the need for national security with Chinese characteristics. In his view, there is a dialectical relationship, where "security and development are like the two wings of a bird, or the two wheels of a bicycle. Security ensures development, and development is what security is aimed at."¹⁹ This idea reflects the new requirements for change and development, and further enriches and expands the five major development concepts of innovation, coordination, ecological (green) considerations, openness, and sharing. Therefore, it is reasonable to add security to this list, as the sixth major concept of development.

The six major ideas of development form a rigorous and pragmatic development framework and logic. They relate to, promote, and support each other, exemplify development and make it more instructive, targeted, and operable.

China will continue with its innovative development, making innovation the driving force of development so as to maintain a medium- to high-speed economic growth rate. We will also adhere to the path of coordinated and holistic development, paying particular attention to existing imbalances. We will endeavor to make China's development green, so as to maintain harmony between humankind and nature, to build a beautiful China with blue sky, green land, and clean water. We want open development, and will maintain internal and external linkages to further improve the level of openness of the economy. China continues to strive for development for everyone, and will address issues of social equity and justice, while constantly working to improve the well-being of the people. We will continue to deliver better results of economic and social development, while also seeking security development and providing guarantees by tackling existing areas of insecurity.

The six major developments areas are not independent concepts, but are compatible with, promote, and supplement each other with a unified objective and self-consistent logic. Innovation is the driving force of development, while coordination is the art, ecological concern the mode, and openness the necessary assistant of development. The objective is development for everyone, and the guarantee of that development is security. The core and purpose of the six major developments is to realize the full development of human beings. This concept is consistent with the Party Constitution, and is the ultimate objective.

The transition from "development is the absolute principle" to the six major ideas of development reflects China's modernization, which is significantly different from that of the West. The aim is that it should be achieved by 2050, thus not only narrowing

¹⁹Xi Jinping, *Speech delivered at the 2nd World Internet Conference*, Dec. 16, 2015.

the gap between China and most developed countries in terms of material modernization, but more importantly, realizing people-centered socialist modernization, a new type of modernization in human terms for the twenty-first century.

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Chapter 3

A New Era with New Characteristics and Contradictions



This new era will be an era of building on past successes to further advance our cause, and of continuing in a new historical context to strive for the success of socialism with Chinese characteristics. It will be an era of securing a decisive victory in building a moderately prosperous society in all respects, and of moving on to all-out efforts to build a great modern socialist country. It will be an era for the Chinese people of all ethnic groups to work together to create a better life for themselves and achieve common prosperity for everyone. It will be an era for all of us, the sons and daughters of the Chinese nation, to strive with one heart to realize the Chinese dream of national rejuvenation. It will be an era that sees China moving closer to the center stage and making greater contributions to mankind.

Jinping (2017)

Chinese socialism's entrance into a new era is, in the history of the development of the People's Republic of China and the history of the development of the Chinese nation, of tremendous importance. In the history of the development of international socialism and the history of the development of human society, it is of tremendous importance.

Jinping (2017)

As socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved. What we now face is the contradiction between unbalanced and inadequate development, and the people's ever-growing need for a better life.

Jinping (2017)

The 19th Party Congress stated that socialism with Chinese characteristics has entered a new era. This important political assessment was based on three main insights: (1) Socialism with Chinese characteristics has entered a new development stage, the "second half" of the primary stage of socialism, where the core mission in the first 20 years of the twenty-first century is to complete the building of a moderately prosperous society benefiting a population of more than 1 billion people. (2) The new era will be characterized by well-rounded innovation, in which China builds a world power, and we gradually achieve common prosperity for everyone. China will make every effort to realize the dream of national rejuvenation, and will move closer to the center of the world stage, helping to create a shared future for humankind. (3) China now faces a contradiction between unbalanced and inadequate development on one

side, and the people's ever-growing needs for a better life on the other. This represents a historic shift that affects the entire landscape and creates many new demands on the Party and the country. Hence, while the basic dimension of the Chinese context—that our country remains, and will for a long time, in the primary stage of socialism—has not changed, the principal contradiction facing Chinese society is new.

3.1 General Basis: The First and Second Halves of the Primary Stage of Socialism

A great historical mission requires a long-term grand strategy, and a long-term grand strategy needs to fully reflect the great historical mission. This strategy must be followed throughout the journey,¹ and it must also advance with the times.² Such is the China Road.

China has been on the road to socialist modernization for nearly 70 years, starting with the founding of the People's Republic of China. The nation's success so far shows that socialist modernization depends on a clear and rational understanding of the fundamental dimensions of our national context and the scientific formulation of a long-term strategic plan. Looking forward to China in 2050, we need to understand the objective reality in which socialist modernization will be achieved, in terms of the real situations of the state, the Party, and the world.

On this point, General Secretary Xi Jinping has noted that, **in contemporary China, the biggest objective reality is that China is still and will long remain in the primary stage of socialism. This represents the base point from which China must understand the present, plan for the future, formulate policies, and advance the cause; China shall not deviate from this point.**³

The primary stage of socialism involves a long historical development process of at least 100 years. Following the presentation of this important assessment in the report of the 13th Party Congress, the reports of the various congresses of party representatives reiterated this point, while also including new insights, and proposing new discourses, concepts, and ideas for the new development stage.

The general basis of the “primary stage theory of socialism” comprises **the properties of the socialist society and the characteristics of the primary stage, and represents the theoretical and practical innovation of China.** With this general basis in mind, we can solve the fundamental issue of how China, as the largest developing country, is to achieve industrialization, IT application, urbanization, and

¹In the *Analects of Confucius*, Confucius stated that, “a basic thought runs throughout my doctrine.”

²In “Changeable Divination” of *The Book of Changes*, there is the saying that “Heaven and earth give birth to everything and provide gains everywhere. All beneficial ways keep pace with the times.”

³Xi Jinping's speech at the 20th Collective Learning of the Basic Principles and Methodology of Dialectical Materialism by the Political Bureau of the CPC Central Committee. Xinhuanet, Beijing, Jan. 24, 2015.

agricultural modernization, while synchronously accelerating these processes in a socialist society in a proper manner. This general basis requires us to comply with economic, social, and natural laws, and to grasp the rules of governance of a Communist party, the development of socialism, and the evolution of human society. It further guides us to address regional disparities and to narrow the gap between rich and poor and between urban and rural, issues that remain unsolved in both developed and developing countries. The essence of socialism is common prosperity, and common prosperity is the largest common interest and the most important objective pursued by all Chinese people.

For the primary stage of socialism to be properly understood, it is necessary to correct two misconceptions: **The first is the belief that as long as a socialist society exists, people will feel that they are living in heaven, and everything is good.** As Mao Zedong made clear, we cannot live under the illusion that everything is good in socialist countries.⁴ If we forget that China is in the primary stage of socialism, and ignore the fact that the country will remain in this less developed stage for some time, and if we are impatient for success and try to move beyond our national strength, we will be bound to walk down a dogmatic and rigid road. We can find examples of this approach in China's "Great Leap Forward" and the "Cultural Revolution." **The second misconception is that, because China is in the primary stage, it is significantly inferior to Western countries, and everything is bad in China.** This belief leads to blind fantasies about the Western system and an indiscriminate imitation of everything Western. It ignores the fact that China possesses the basic properties of a socialist society and it also separates China from its national context. To follow a path informed by this misconception would be to walk down the road of capitalism, with the inevitable repetition of history. Examples of this type of thinking are the voluntary dissolution of the Soviet Communist Party, even though it had defeated Hitler's fascism, the voluntary disintegration of the Soviet socialist state, and the catastrophe and great regression of Russia.⁵

How then can we dynamically understand and analyze the regular patterns, stages, and characteristics of development in the primary stage of socialism? This requires observations and analyses from multiple perspectives. First of all, from a historical perspective, it is necessary to clarify where China's development path started, the initial conditions, where exactly China has now arrived, and where China will go in the future. Secondly, a dialectical perspective will enable us to understand that the socialist modernization of China is a process of evolution from quantitative

⁴Mao Zedong pointed out that we should not blindly believe that everything is good in socialist countries. Everything has two sides: a good side and a bad side. In China, there must be good things and bad things, good people and bad people, advancement and backwardness. It is because of this that we have to undertake transformations to transform bad things into good things. ... The world is beautiful, but it is also not beautiful. There are struggles and conflicts in the world. I hope everything is good, which is our subjectivity, but the reality is objective. Zedong (1999, pp. 69–70).

⁵According to the World Bank Database, and based on purchasing power parity (PPP), 2011 international dollar, in 1990 the proportion of Russia's GDP in world GDP was 6.5%. This reduced to a record low (3.0%) in 1998, increased to 3.9% in 2008, and fell again to 3.26% in 2015 because of the continuing shock of the international financial crisis.

change to partial qualitative change, then from quantitative change to qualitative change; these stages are correlated, and move together in an upward spiral. Thirdly, by taking a development perspective we will better understand that the driving and constraining factors, favorable and unfavorable factors, development and underdevelopment factors affecting the development of China are always changing, and also transform each other via inverse relationships under certain conditions. Finally, an international perspective will enable us to understand China's relative development level and the change in its international status. Furthermore, by adopting this perspective we will better understand both ourselves and our competitors. Only through a holistic comprehension of the primary stage of socialism, in which we view the situation from all of these multiple perspectives, can we properly understand China's national conditions and fully grasp the inherent requirements and operation mechanism of the socialist market economy. Furthermore, by doing so we will be able to firmly comprehend the global trends and opportunities of economic and technological development. The multi-dimension knowledge will also enable us to understand and follow the rules of economic development, social development, and natural laws, give play to the superiority of the socialist system, and take advantage of the momentum to further develop.

China's primary stage of socialism is a historical process that started in the mid-1950s and will be completed in the middle of the twenty-first century. It is a century-long march from poor material foundation and backward culture and science to the construction of a great modern socialist country. The 100-year historical period can be divided into two halves, where the first half spanned the later years of the twentieth century, and the second half is taking place in the early twenty-first century.

The first half of the primary stage of socialism can be further divided into two development stages. The first stage, absolute poverty, is the socialist construction period. It involves the establishment of the institutional, economic, and social foundations for socialist modernization, as well as the construction of various systems (e.g., political, economic, social, and urban systems). It should be noted that at this stage, development occurs at a very poor level. The second stage is that of reform and opening up with economic take-off. China has already realized two strategic plans for economic construction: in the first step, aimed at ensuring that people's basic needs are met, over the decade from 1980 to 1990 GNP was doubled, the basic needs of the population were met, and people got richer; in the second step (achieving moderate prosperity), by the end of the twentieth century GNP had doubled again, and the people's living standards reached a level of moderate prosperity.

The second half of the primary stage of socialism can also be divided into two development stages. The first stage represents the first 20 years of continuously high growth, whereby China will become a moderately prosperous society in all respects, thus realizing the first centenary goal. In the second stage, following 30 years of continuous and steady growth a stronger China will realize common prosperity and achieve the second centenary goal, that of socialist modernization by the PRC's centenary.

To illustrate the division of the above stages, 10 key global economic and social development indexes are used for quantitative analysis (see Table 3.1).

Table 3.1 Main economic and social development indexes of China (1949–2020)

	Absolute poverty stage (1949–1978)	Stage in which people's basic needs were met (1978–1990)	Moderate prosperity stage (1991–2000)	Stage of moderately prosperous society in all respects (2001–2020)
Per capita GDP (PPP, 2011 dollar)	172–637	637–1516	1516–3678	3678–18,500
Per capita life expectancy (years old)	41–65.5	65.5–68.6	68.6–71.4	71.4–77.3
Illiteracy rate (%)	80–25.2	25.2–15.9	15.9–6.7	6.7–3.0
Average schooling years of working-age populations (years)	1–5.3	5.3–6.4	6.4–7.9	7.9–10.8
Human development index (HDI)	0.145–0.423	0.423–0.501	0.501–0.588	0.588–0.780
Rural Engel coefficient (%)	>70	67.7–58.8	58.8–49.1	49.1–27
Urban Engle coefficient (%)	>60	57.5–54.2	54.2–39.4	39.4–25
Rural poverty-stricken populations (100 million)	7.7 (1978)	7.7–6.58	6.58–4.62	4.62–0.0
Rural poverty incidence (%)	97.5 (1978)	97.5–73.5	73.5–49.8	49.8–0.0
Gini coefficient	0.558–0.317 (1953–1970)	0.317–0.324	0.324–0.392	0.392–0.462 (1999–2015)

Note Data sources are as follows: per capita GNI (dollar), per capita GDP (PPP, 2011 dollar): World Bank Database; per capita life expectancy: National Bureau of Statistics, *China Statistical Abstract* (2016), p. 18; average schooling years of working-age populations: inferred by the author based on all previous national census data; human development index (HDI): United Nations Development Program, Table 2 of *Human Development Report 2015*; Engel coefficient of urban and rural residents: National Bureau of Statistics, *China Statistical Abstract* (2015), p. 59; rural poor populations and poverty incidence data as per current national rural poverty line (CNY 2300/person/year): National Bureau of Statistics, *China Statistical Abstract* (2016), p. 70; Gini coefficient: Branko Milanovic, World Gini Database (for 1953–1978), World Bank Database (for 1990–2000), National Bureau of Statistics (for 2003–2015), 2020 data estimated by the author

Since the founding of the People's Republic of China, the country has undergone great changes. As we enter the second half of the primary stage of socialism, China's productive forces have experienced unprecedented development. Yet despite this progress, they remain relatively backward compared with developed countries. Furthermore, China has some way to go before it catches up with developed countries in the aspects of, for example, labor productivity, innovation capacity and quality. There remains a very large gap with regard to per capita income and standards of living, and China continues to have a high proportion of agricultural employees and a large rural population. Similarly, despite great progress in social development, China continues to lag behind developed countries and is currently failing to meet the ever-growing needs of its nearly 1.4 billion people in terms of education, health, culture, housing, social security, and ecological environment. Consequently, there remains room for further development.

China's basic conditions are those of a large population, scarce per capita resources, and a weak ecological foundation. Because of these obstacles, for the foreseeable future it will continue to face various development constraints in the areas of energy supply, resource supply, environmental quality, and greenhouse gas emissions. While the regional development gap is shrinking, regional development around China continues to be unbalanced. Similarly, while there has been a reduction in the income gap between urban and rural areas, it remains large. Furthermore, although those populations currently living below the poverty line will be lifted above it by 2020, there will still be many people living on minimum subsistence allowances.

Even in the second half of the primary stage of a socialist society, China faces a significant challenge to achieve the second centenary goal. If we were to be careless we might fail while only halfway, and all of our previous efforts would be wasted. Therefore, we shall never be blindly self-satisfied or arrogant. We shall keep a cool head and possess a conscious understanding. As the saying goes, "the strong pass of the enemy is like a wall of iron, yet with firm strides, we are conquering its summit."

3.2 China's Entry into a New Era

The report of the 19th Party Congress clearly defined a new era of socialism with Chinese characteristics.⁶ This new era can be explained through five key features.⁷

First, China will enter an era of securing a great victory. The socialist development process of the People's Republic of China comprises three eras. The first was an era of national economic recovery and socialist economic construction. From its founding in 1949, the PRC underwent a long period of effort, eventually creating a national economy and economic system, and establishing a relatively independent and complete industrial system. Furthermore, it laid the foundation for various types of capital, namely material, human, technological, and institutional, for later

⁶Jinping (2017).

⁷AnGang and WenYin (2017).

economic take-off and socialist modernization. The second era was one of reform and opening up. During a period of accelerated economic catch-up, China's GDP enjoyed an average annual growth rate of 9.9%, an international record high of long-term economic growth, and the nation reached a level of moderate prosperity. The third era is that of socialism with Chinese characteristics. China has now entered a new normal in economic development, from rapid growth to high-quality development, from growing rich quickly to common prosperity for everyone, and from being a big country in the world to being a great world power. At present, China is at a stage in which the timeframes of the two centenary goals converge. It is currently striving to realize the first centenary goal and to determine how to better realize the second centenary goal.

Second, China will enter an era of building a great modern socialist country in all respects. The report of the 18th Party Congress proposed four goals toward the construction of a strong socialist China, namely creating a country that is strong in talent, rich in human resources, a great modern socialist country, and a strong maritime country. Subsequently, the report of the 19th Party Congress added to that list the ensuring of manufacturing quality and strength in science and technology, product quality, aerospace, cyberspace, transportation, trade, physical culture, and education. For example, "Made in China 2025" is a blueprint for creating a quality manufacturer, and the National Innovation-driven Development Strategy Outline is a blueprint for building an innovation-oriented country. In accordance with the spirit of the report of the 19th Party Congress, relevant departments are working on the formulation of a special medium- and long-term plan (2020–2035) to build a strong strategic system and implementation system to realize the goal of building a strong country. The report of the 19th Party Congress also put forward six major goals to be achieved by 2050, namely to complete the creation of a great modern socialist economic power, a great modern socialist democratic and political power, a great modern socialist cultural power with Chinese civilization, a more harmonious great modern power with a socialist society, a more beautiful, great modern socialist ecological power, and a world-class armed force. In short, the report of the 19th Party Congress advocated building China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

Third, China will enter an era of achieving common prosperity for everyone. The process of China's economic development can be divided into several periods. In the extremely low-income stage (1949–1978), China had 250 million people living in poverty according to the 1978 rural poverty standard. This increased to 770 million in 2010, with 97.5% of the population living in poverty according to the 2010 rural poverty standard. Then during the low-income stage (1978–1990), China's poverty-stricken population in rural areas was reduced to 658 million, with 73.5% of the population living in poverty by the end of that period. In 1990 China entered the middle-income stage (1990–2000), during which the poverty-stricken population in rural areas was reduced to 460 million, and the incidence of poverty was reduced to below 50%. During the first two decades of the twenty-first century China has been in the middle- and high-income stage (2000–2020). During this period the poverty-stricken population living in rural areas has reduced to 43,350,000, with just 4.5% of

China's population living in poverty by the end of 2016. It is expected that poverty will be eliminated in all rural areas by 2020. After 2020, China will continue to develop towards a high-income stage and will enter an era of common prosperity. The income gap between urban and rural areas will continue to shrink until 2035, and common prosperity for everyone will be realized by 2050.

Fourth, China will enter an era of realizing the great rejuvenation of the Chinese nation. General Secretary Xi Jinping has clearly stated that it will be an era for all of us, the sons and daughters of the Chinese nation, to strive with one heart to realize the Chinese dream of national rejuvenation. In 1956, Comrade Mao Zedong proposed a grand strategic vision in which it would take 50 (by 2006) or 60 years (by 2016) to catch up with and surpass the United States. Since the beginning of the twenty-first century, China has accelerated its catch-up with the United States, and has even surpassed that country in some areas. Furthermore, China has continuously narrowed the relative gap with the United States in respect to the main development indexes (e.g., per capita GDP, per capita life expectancy, per capita schooling years, and the HDI). The catch-up coefficient of China's HDI relative to that of the United States increased from 51% in 1980 to 80% in 2015, and is expected to reach 97% by 2050. In the twenty-first century, under the leadership of the CPC Central Committee, China will realize the great rejuvenation of the Chinese nation through the joint efforts of the whole Party and the Chinese people of all ethnic groups. It will not only achieve a wonderful Chinese dream, but will also provide a great Chinese contribution to promote the common development of the world.

Fifth, China will enter an era of moving onto the center of the world stage. Since its founding, the People's Republic of China has transformed from "loose sand," a state of disunity, to national independence and liberation. The country once characterized by a poor material foundation and backward culture and science, is now able to largely meet its people's basic needs. Despite this progress, per capita GDP still lags behind that in the developed world, and China is still some distance from standing in the actual center of the world stage. Since adopting its policy of reform and opening up, China has improved its economic aggregate, moving up from 11th to 2nd place in the world rankings, equivalent to 1st place in terms of purchasing power parity (PPP), and has improved its import and export volume from 29th to 1st place in the world rankings. Improvements have also been made in foreign exchange reserves, where China has advanced from 38th place to number 1. Furthermore, China now has the highest number of patent applications and granted patents in the world, and is the biggest driving force of global economic growth, trade growth, and technological innovation. China's development has also benefited the world. It is predicted that by 2050, China will have emerged as a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful, and will possess the greatest comprehensive national strength and international influence in the world. The Chinese people will then inevitably make great and continuing contributions to human development.

In conclusion, as can be seen from the development course of the People's Republic of China, the most prominent feature of China's development and progress in the twenty-first century is well-rounded innovation. Since the 18th Party Congress,

with its reform and opening up in a new era, we have constantly advanced theoretical innovation, practical innovation, institutional innovation, cultural innovation, as well as other kinds of innovation. Thus, socialism with Chinese characteristics has entered a new era, and with the publication of the report of the 19th Party Congress, a systematic assessment by the CPC Central Committee on the new historical position of the development of China is recorded in Chinese history forever.

3.3 The Transformation of the Principal Social Contradiction in the New Era

An understanding of our national context, and in particular a deep understanding of the principal contradiction facing Chinese socialist society, provides the theoretical foundation to determine the development strategies appropriate to different eras. The basic contradictions facing Chinese modern society have always been those between productive forces and productive relations, and between the superstructure and the economic base.⁸ These contradictions will exist as long as a socialist society exists, and they stipulate the basic properties of the socialist development process. In contrast, the principal contradiction changes with the development era, and can be expressed in different forms in different development stages. During the current stage of China's development process, the principal contradiction is dominant, decisive, and all-encompassing.

The report of the 19th Party Congress pointed out that because socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved. What we now face is the contradiction between unbalanced and inadequate development on one side, and the people's ever-growing need for a better life on the other.⁹ This is a new and important political assessment on the fundamental dimension of our national context, reflecting the basic characteristics of our society in the new era. It also represents the third significant theoretical innovation and great social practice transition after the 8th Party Congress and the 3rd plenary session of the 11th CPC Central Committee.

The transformation of the principal contradiction facing Chinese society is an inevitable result, and an important characteristic, of the law of economic and social development in China. How then, has the principal contradiction evolved historically? How can we properly understand the new contradiction? What influence will the significant transformation of the contradiction have?

The improvement of China's productive forces and the development of various structural imbalances have brought about new and ongoing changes in the principal contradiction. Nevertheless, further development is needed, particularly in the following four aspects:

⁸ *Collected Works of Mao Zedong*, Vol. 7, People's Publishing House, 1999, p. 214.

⁹ Jinping (2017).

First, the development of social productive forces is not yet sufficient to meet the ever-growing material needs of the people. While China has significantly enhanced its per capita GDP ranking, it still ranks only 97th among 217 economic entities, meaning that it is in the bottom 45% globally. The relative gap between China's labor productivity and that of the United States has been significantly reduced, but remains sizable. Consequently, significant improvements to China's per capita income and per capita consumption levels are required. Similarly, while the level of China's social productive forces has improved, from absolute backwardness to relative backwardness, a large gap remains compared with the advanced level of developed countries, and there is still room for improvement regarding catch-up, innovation, and transcendence.

Although China's social production capacity enjoys a top ranking in many aspects, the country is not yet able to meet the needs of its nearly 1.4 billion people in terms of a range of different product structures, services, and quality. While the strength of China's science and technology ability and its innovation capability are improving rapidly, they lag behind the current global frontiers of science and technology. China has the highest number of scientists and engineers in the world, but still lacks high numbers of world-class scientists, scientific and technological leaders, top talents, experienced and young talent, and high-skilled talent. Furthermore, while China has for some time been the largest manufacturer in the world, many industries remain in low- and middle-ranking positions in the global value chain.

Second, the development is unbalanced. Regarding China's industries, agriculture has maintained sustained growth, and has enjoyed an annual average growth rate of 4.0% over the past 16 years. This is one of the highest growth rates in the world, but the development of agriculture and non-agricultural industries remains unbalanced. Indeed, agriculture remains China's biggest impediment and bottleneck. From the perspective of the urban-rural relationship, since 2009 China has narrowed the income gap between urban and rural areas. Nevertheless, this income gap remains one of the largest in the world, and China's rural areas are still underdeveloped. In terms of regional structure, since 2004 China has steadily narrowed the regional development gap. However, it remains a country with significant gaps and imbalances in regional development.

The public service system also requires attention. Under China's middle-income conditions, the main health indicators are generally better than the average level of middle- and high-income countries, but there is a clear contradiction between the shortages in overall health service supply and the ever-growing health demands of 1.4 billion people. China's level of education sits above the average level worldwide. However, the disparities in urban-rural education are still large, there are insufficient high-quality education resources, and those that are available are not distributed equally. Regarding social security, China has established the world's largest social security system, covering the largest population. China's basic endowment insurance covers more than 900 million people, and the basic medical insurance covers more than 1.3 billion people. Despite this, it is still necessary to fully implement a social security system that covers the entire population, bring pension schemes under

national unified management, and improve the basic medical insurance system for both urban and rural residents.

Third, China's cultural industry and infrastructure are unbalanced and inadequate. Although China's system for providing public cultural services covers both urban and rural populations, it is currently unable to meet the ever-growing demands and diversified needs of the people, especially rural populations. For example, two-thirds of rural households still have no access to radio and television.¹⁰ The added value of China's cultural industry exceeds 4% of GDP, but the gross scale is not yet large enough; both quality and efficiency need upgrading, and there is much room for improvement as well as unrealized potential. For example, China has become the world's largest movie market, but the box office income of domestic movies is less than 60%. China has the highest number of talents in the world, but has relatively few artists and writers, and very few eminent literary and artistic figures. While many literary and artistic works are being produced in China, nurtured by an atmosphere of cultural creation that allows the arts free expression and diverse schools of thought to contend without restrictions, this productivity has failed to fully reflect the golden era of rapid development and the great rejuvenation of China. China has a remarkably abundant cultural heritage, is the second largest country in terms of world heritage sites, and the world's largest in terms of intangible cultural heritage. Despite these achievements, many cultural heritage resources require significant funding and technological restoration and protection. Scientific, preventive, and on-going protection is also necessary. Chinese culture has entered the international arena at a high level, and China now participates in cultural exchanges with two-thirds of the world's countries and regions. It is now important to address the remaining gap, to establish cultural exchange with the remaining one-third of countries and regions worldwide. China's foreign cultural trade is growing rapidly, but still accounts for just a small proportion of the world's cultural trade. While China has experienced an unprecedented improvement in its international influence, it is still failing to meet the ever-growing demand for Chinese culture from more than 240 countries and regions.

Fourth, human and natural development is unbalanced, and is far from meeting the people's ever-growing ecological and environmental needs. The concept of ecological civilization currently enjoys strong support in China, but the directors of some regional departments remain "GDP-centered," and many existing systems and policies are not conducive to ecological civilization. The governance of the ecological environment has been strengthened and improved, but China's ecological deficits and environmental defects, which have accumulated over the years, are still an obstruction to development. China is the world's largest consumer of energy, water resources, mineral resources, and various materials, and there exists great potential to make significant savings in these areas. China has also become the largest consumer market in the world, but its proportion of green consumption is extremely low. Consequently, there is the potential for considerable improvement. Society as a whole is expressing an ever-growing demand for environmental quality, but so far

¹⁰National Bureau of Statistics: *China Statistical Abstract* (2017), p. 749.

very few people have become conscious participants in, builders of, and contributors to “Beautiful China” (i.e., a green China). As China enters a new era of ecological civilization, the international community has high expectations for the building of a beautiful China. We must also make ever greater contributions to international cooperation in the fight to tackle climate change, protecting the planet for the sake of human survival and global ecological security.

In addition, among China’s people there is an ever-increasing demand for democracy, the rule of law, fairness, justice, and security. Steps must be taken to address these factors, which are crucial to meeting the people’s increasing needs for a better life.¹¹

The evolution of China’s principal contradiction in a new era represents a historic shift that affects the whole landscape. It also places many new demands on the Party and the country. Consequently, the development philosophy, goal, plan, strategy, and steps for China’s development have all undergone significant changes to advance with the times.

With regard to China’s development philosophy, there has been a change from GDP-centered to people-centered. China now adheres to the concept that the people are the creators of history, and are the main players in development. The Party must always focus on the aspirations of the people to live a better life, and this quest must be at the core of national development. While continuing to promote well-rounded human development and to address the imbalances and inadequacies that still exist in that regard, we must also strive for all-round social progress and address the imbalances and inadequacies in social development. Guided by the certainty that sound development is the key to solving all our country’s problems, we will steadfastly pursue China’s vision of innovative, coordinated, green, and open development for everyone.

The development goal has also undergone a significant change, with a shift in focus from rapid growth to high-quality development. The report of the 19th Party Congress made no mention of the goal to double GDP. Instead, it placed a greater emphasis on putting quality first, giving priority to performance, improving total factor productivity, developing a modernized economy, and accelerating the promotion of scientific and technological innovation. The aim now is to gradually achieve common prosperity for everyone as opposed to unevenly rapid wealth accumulation. Furthermore, the “five accesses” proposed in the report of the 17th Party Congress have been expanded to seven: access to childcare, education, employment, medical services, elderly care, housing, and social assistance. These will be adopted as multiple indexes for measuring the people’s livelihoods in the five-year plan, so that fair development will become an important objective in the new era. As proposed in the report of the 19th Party Congress, China, once merely a big country in the world, will become a great world power.

Similarly, China’s development plan has been revised. The modernization plan has changed from being economic construction-centered to become a “five-sphere” integrated plan of socialist modernization. Similarly, the objectives of China’s

¹¹ Jinping (2017).

economic construction plan have shifted from the synchronous development of industrialization and IT application to the synchronous development of new industrialization, IT application, urbanization, and agricultural modernization. The focus of the plan, opening up to the outside world, has also changed. Originally, China's opening up served the general domestic situation. Now, however, the aim is to actively participate in and promote economic globalization, develop an open economy with higher standards, build a community with a shared future for humankind, and create a new and wider pattern of favorable climatic, geographical and human conditions.

In line with the above changes, the development strategy has undergone a considerable shift. Based on the original national development strategy and the objective to build a strong country, we have built a grand strategic system to strengthen China. Ability to implement national strategies has also been enhanced, with consequent effects on China's innovation-driven development strategy, the strategy to invigorate China through science and education, and the strategies to develop a quality workforce, revitalize rural areas, and to ensure coordinated regional development. Further strategies concern sustainable development, military-civilian integration, employment, the Healthy China initiative, food security, national security, the armed forces, and opening up. These efforts will give full play to the strategic guiding role and advantages of the national development plans.

Finally, significant adjustments have been made to the development steps. On the basis of the existing national development strategy, the three-step Strategy, we have made strategic arrangements in two stages to embark on a new journey to successfully build a modern socialist China.

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Chapter 4

2050 China: Strategic Goals and Two Stages



Secure a decisive victory in building a moderately prosperous society in all respects and embark on a journey to fully build a modern socialist China.

Xi Jinping (2017).

After completing the building of a moderately prosperous society in all respects by 2020, we should encourage the entire Party and the Chinese people of all ethnic groups to strive to realize the second centenary goal, and embark on a journey to build a modern socialist China. The Chinese nation will become a proud and active member of the community of nations.

Xi Jinping (2017).

Our strategic vision for developing socialism with Chinese characteristics in the new era is the following: finish building a moderately prosperous society in all respects, move on to ultimately realizing modernization, and then turn to making China a great modern socialist country in every dimension. We must work with resolve and tenacity and strive to write a brilliant chapter on our new journey to socialist modernization.

Xi Jinping (2017).

Socialism with Chinese characteristics has crossed the threshold into a new era. This is a historic juncture in China's development. The report of the 19th Party Congress makes strategic plans on socialism with Chinese characteristics in the new era, and requests not only that China should finish building a moderately prosperous society in all respects, thus achieving the first centenary goal, but also that we build on this achievement to embark on a new journey towards the second centenary goal of fully building a modern socialist country.¹

By 2035 we will realize the third goal of the three-step strategy proposed by our Party: to reach the level of moderately developed countries and achieve basic modernization.² In doing so we will be 15 years ahead of the original schedule, which was to achieve this goal by 2050.

¹Xi (2017).

²Zhang (2017a).

Therefore, by 2050, we will have built China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful. The main economic and social development indexes of China will be close to or at the level of advanced countries. China's people will enjoy a higher standard of public services and social security. We will have eliminated China's three major divergences and will be making great contributions to human development.

China will then enter the middle stage of socialism, which will continue for several decades. Therefore, we need to put forward a third centenary goal, namely to complete the building of a highly developed great modern socialist country by the year 2078, the centenary of the economic reforms and opening up that took place in 1978. The overarching objective is to realize the Chinese dream of the great rejuvenation of the Chinese nation by the end of the twenty-first century.

4.1 Basis to Achieve the Socialist Modernization of China 15 Years Ahead of Schedule

The report of the 19th Party Congress comprehensively analyzed the international and domestic situations and development conditions of the country. It laid out the strategic goals of two stages on the basis of in-depth study and repeated demonstrations, including discussion, reasoning, investigation and verification, while also formulating smaller, specific goals corresponding to various aspects of the development strategy. According to the report, socialist modernization will be realized during the first stage (2020–2035).³ The plan to realize this goal by 2035, 15 years ahead of the original timeframe of the three-step strategy, is pragmatic, insightful, and innovative.

In 1987, Comrade Deng Xiaoping proposed a three-step strategy to achieve modernization. He stated that what is more important is the third step. That is, it will take us 30–50 years into the next century to quadruple the 2000 per capita income, approximately reaching USD 4000 per capita. After achieving this, China will reach a moderately developed level. Regarding this achievement, the Constitution of the Communist Party of China has stated that “by the time we celebrate the centenary of the People's Republic of China, the per capita gross domestic product of China will reach the level of moderately developed countries, and we will have achieved the basic level of modernization.”

In 2012, our study on projections for 2020 China predicted that in 2020–2030, our country will complete the third step of the three-step strategy ahead of schedule. Therefore, we proposed that a more accurate expression would be: “by the time we celebrate the centenary of the People's Republic of China, the per capita gross domestic product of China will reach the level of more developed countries (more developed than moderately developed countries), and we will have achieved comprehensive socialist modernization (rather than the basic level of modernization).” This

³Xi (2017).

is the most important symbol of realizing the Chinese dream of “building a great modern country.”⁴

China has the conditions and foundations to realize the goal of modernization ahead of schedule: (1) Since adopting the policy of reform and opening up nearly four decades ago, our country has experienced the fastest growth, the longest development period, and the accrual of benefits to the largest population, in the history of the modern economic development of the world. (2) In 2016, we achieved the 2020 goal of quadrupling the GDP, as put forward in the report of the 16th Party Congress, four years ahead of schedule. (3) In 2017, we achieved the 2020 goal of quadrupling the 2000 per capita GDP rate, as proposed by the report of the 17th Party Congress. (4) We have realized ahead of schedule the final goal of the three-step strategy, that is, to reach USD 4000 per capita GNP as proposed by Comrade Deng Xiaoping in 1987. These achievements have built a solid foundation upon which to realize socialist modernization 15 years ahead of schedule.

Moderately developed or developed countries are defined based on a number of different standards: (1) Per capita GDP: for example, according to the standard of high-income countries provided by the World Bank, per capita GDP is USD 12,000–100,000. It is expected that the per capita GDP of China will be close to or above this figure by 2020. This is a low standard, and it is also affected by the currency value of the CNY and USD, and exchange rate fluctuations. Furthermore, it does not have a historical comparison (it is based on constant prices) or international comparison (international comparison items must be used). The actual PPP (Purchasing Power Parity) of any two countries are quite different. (2) Some definitions use the relative standard of per capita GDP, such as the standard relative to the per capita GDP of the United States. According to 2015 statistical data provided by the World Bank, a country or region with per capita GDP (PPP) that is 50–70% that of the US rate is considered to be a moderately developed or relatively developed country; a country or region with per capita GDP that is 70–90% of the United States is considered a developed country; and a country or region with a per capita GDP that is more than 90% of the US rate is considered a highly developed country. This relative standard is both dynamic, and high.

In view of the above we define moderately developed countries as having a per capita GDP (PPP, 2011 international dollar, similarly hereinafter), that is at least 50% that of the United States. Developed countries must have a per capita GDP that is more than 70% of the per capita GDP of the United States. This is not only internationally comparable but also dynamic. According to the predictions of the global growth model proposed by Kohli, Szyf, and Arnold (2012),⁵ China’s per capita GDP will reach 51%–57% of the US rate by 2035. This suggests that we will have realized the goal whereby China’s per capita GNP reaches the level of moderately developed countries ahead of schedule.

⁴Hu (2012).

⁵Kohli et al. (2012).

4.2 China: Realization of Modernization

According to the report of the 19th Party Congress, we will realize the main goal of socialist modernization in 2020–2035. Based on the five-sphere integrated plan of socialist modernization, this section analyzes the 2035 strategic development objective.⁶

4.2.1 Economic Construction

Our economic strength shall significantly increase. China will long maintain its medium–high economic growth rate, and in 2020–2035 the annual average GDP growth rate will be 4.8–5.6% (see Table 4.1). Furthermore, the proportion of China’s GDP as a share of the world total GDP will reach 27.25–31.45% by 2035 (see Table 4.2), with China’s rate of contribution to global-GDP growth above 33%. This will benefit China’s people because individual incomes grow in step with economic development, and salaries rise in tandem with increases in labor productivity.⁷ The annual average growth rate of the per capita disposable income of urban and rural residents will reach about 5%. Meanwhile, China’s employment population will first increase (2015–2030), then decrease (after 2030), and the employment rate will remain above 55%.⁸ Employment rates for women will remain high, enjoying a top international ranking. Non-agricultural employment will continue to grow, and agricultural employment will continue to decline. China will build an educated, skilled,

Table 4.1 Annual Average Growth Rate of Major Economic Indexes in China (2010–2035) (Unit: %)

	2010–2015	2015–2020	2010–2020	2020–2035
GDP	7.8	>6.5	7.15	4.8–5.6
Labor productivity	7.45	>6.6	7.03	About 5
Urban per capita disposable income	7.7	>6.5	7.10	About 5
Rural per capita disposable income	9.6	>6.5	8.04	About 5
Household consumption level	8.4	>6.5		

Note This table is calculated based on 2015 prices
Data sources 2010–2015 data based on *China Statistical Abstract* (2016), pp. 20, 40, 63; 2015–2020 data based on Special Column II of the *Outline of the 13th Five-Year Plan*; 2020–2035 data are estimated by the authors

⁶Zhang (2017a).
⁷Ibid.
⁸In 2016, China’s population of 16 to 60-year-olds reached 915.83 million, accounting for 67% of the total population. A total of 776.03 million people were employed, accounting for 56.1% of the total population. National Bureau of Statistics: *China Statistical Abstract* (2017), China Statistics Press, 2017, p. 40.

Table 4.2 GDP and per capita GDP Index of China (2010–2035)

	2010	2015	2020	2035
GDP (USD 1 trillion)	12.743	18.61	26.49	52.74–61.52
Per capita GDP of China (USD)	9526	13,572	18,697	36,632–41,597
Per capita GDP of the US (USD)	49,373	52,704	57,058	50.60–57.46
Per capita GDP of China relative to that of the US (US = 100%)	19.3	25.8	32.2	160.92–179.9

Note PPP is calculated based on the 2011 international dollar price

Data sources 2010–2015 per capita GDP and GDP are from the World Bank Database; the 2016–2035 data are calculated by the authors according to the middle and high schemes (see Appendix 1)

Table 4.3 China's Three Industry Structures (2015–2035) (Unit: %)

	2010	2015	2020	2030	2035
Primary industry	9.5	8.8	7.2	6.0	5.3
Secondary industry	46.6	40.9	36.8	31.6	29.1
Industry	40.0	34.3	29.9	23.5	22.1
Tertiary industry	44.1	50.2	55.0	62.4	65.6

Data sources 2010–2015 data based on National Bureau of Statistics, *China Statistical Abstract* (2017), p. 23; 2020–2035 data estimated by the authors

and innovative workforce, and will significantly increase the number of skilled workers.⁹ More than 7 million university graduates will enter China's workforce every year, and the labor productivity growth rate will remain above 5%.

China will complete the building of a modern economic system. China will complete the building of world-class advanced manufacturing clusters, continue to decrease the proportion of the added value of modern industry in GDP, move up to the medium–high end of the global value chain, and complete the building of a nation that is a strong economic power. The proportion of the added value of the modern service industry in GDP will reach 66% by 2035 (see Table 4.3). China will form a number of globally competitive world-class enterprises, create a number of valuable global brands,¹⁰ and double the proportion of the new economy in the national economy.¹¹ Our industrial structures will evolve to the level of those in developed countries. China will speed up the modernization of agriculture and rural

⁹In 2004, China had 87.2 million skilled laborers. By 2015, this had increased to 165 million, with an average annual growth rate of 6.0%. The proportion of people employed in secondary industries had increased from 52.19 to 72.7%. In 2016, the proportion of highly skilled talents in the total number of skilled laborers increased to 22.6%.

¹⁰A total of 57 China brands are listed in the *Top 500 Most Valuable Global Brands 2017*, accounting for 11.4% of the total number of global brands. China is ranked second in the world.

¹¹In 2016, the new economy accounted for 14.6% of the national economy, and new employment accounted for 10.1% of total employment. *Green Book of Population and Labor: Report on China's Population and Labor No. 18—New Economy & New Employment*, Research Institute of Population

areas and promote the supply-side structural reform of agriculture. Similarly, China will build a modern agriculture industry, which will become an important basis for the modern economic system. The infrastructure system will become more advanced, complete, efficient, greener, and safer. China will complete the building of a world-class super power with an exemplary transportation system. We will optimize and expand the spatial pattern of development, and generally form a new pattern in China through the coordinated development of every sector. China will also adhere to the overall planning of the sea and land, accelerate the development of the marine economy, and fast-track the building of a great maritime power. China will form a great urbanization pattern of coordinated development between the world's biggest urban agglomeration, small, medium-sized, and large cities, and small towns, and significantly improve the quality of China's cities. Public services will cover resident populations, and public security will cover all populations, including tourists at home and abroad. China will build the world's biggest market,¹² and unleash people's enthusiasm, creativity, and innovativeness. China will form an important micro-foundation for continuous economic development, and create the world's largest and most competitive open market. Furthermore, we will cultivate a number of globally competitive world-class enterprises and socialist entrepreneurs.

China will significantly enhance its economic and technological strength, and will become a global leader in innovation. China will increase its total factor productivity. Research and development expenditure will account for more than 2.8% of GDP, exceeding the average level of OECD countries. Research and development investments will account for 20–25% of global investments. China will continue to increase the proportion of research and development personnel per 10,000 employees,¹³ and will be home to more than 200 million educated and skilled talents. Furthermore, there will be a large number of world-class scientists and technologists in strategically important fields, as well as many scientific and technological leaders, and young scientists and engineers. There will be high-performing innovation teams, and the contribution rate of science, technology, and talents to economic growth will rise. Ultimately, China will be the source of significant original achievements that will have an important influence on the development of science and technology and the advancement of human civilization. China will become the world's largest innovation center and research and development base, and support innovation in key

and Labor Economics of the Chinese Academy of Social Sciences & Social Sciences Academic Press, 2017.

¹²In 2017, there were more than 90 million registered market entities in China, including approximately 30 million enterprises; the remaining market entities were industrial and commercial units in various areas. There were also approximately 200 million agricultural households and urban non-industrial and non-commercial entrepreneurs, which constituted the largest market economy in the world, even exceeding the sum total of the European Union, the United States, and Japan. Ning Jizhe, *建设现代化经济体系 [Develop a Modernized Economy. Guide to the Report at 19th Party Congress]*. People's Publishing House, 2017, p. 177.

¹³According to the 13th Five-Year Plan on Scientific and Technological Innovation, the number of research and development personnel per 10,000 employees increased from 48.5 in 2015 to 60 in 2020, with an annual average growth rate of 6.9%. It is expected that there will be more than 100 research and development personnel per 10,000 employees by 2035.

generic technologies, cutting-edge frontier technologies, modern engineering technologies, and disruptive innovation. Furthermore, China will build a strong presence in aerospace and cyberspace, complete the building of the world's biggest digital economy, employment, and services, and complete the building of an intelligent society. The added value of the knowledge-intensive service industry will account for about 25% of China's GDP.

4.2.2 *Political Construction*

China will adhere to the great organic unity of Party leadership, the governance of the country by the people, and the principle of rule of law. China's political advantages¹⁴ will be highlighted, and the construction of the Party institutions will be basically complete. The Party's mass line will be implemented in all governance activities. China will train a contingent of competent and professional officials, and effectively enhance the capacity of grass-roots organizations. The rights of the people to participate and to develop as equals will be protected, and the democracy of the people will become more advanced. The people's congress and their political consultative conference system will be improved, and democratic elections, consultations, decision-making, administration, and regulation will be effectively implemented. China will further encourage and support the enthusiasm, initiative, and creativity of the people. China will essentially complete the building of a country, government, and society based on the rule of law, and form an environment in which our legislation will be sound, law enforcement will be strict, and the administration of justice will be impartial. Moreover, the law will be observed by everyone. National institutional systems will be implemented more effectively, transparently, and equitably. The government needs to strengthen its credibility and administrative capacity, and build itself into a service-oriented government able to satisfy the needs of the people. China will basically realize the modernization of its system and capacity for governance, create a modern public finance system, and scientifically define the financial governance and expenditure responsibilities of financial sectors at all levels. A fiscal relationship between the central and local governments shall be built upon clearly defined powers and responsibilities, appropriate financial resource allocation, and greater balance between regions. We will continue to reduce governance costs, significantly improve governance efficiency, and basically realize a pattern of synergy among the state, market, and society.

¹⁴Specifically, the advantage in the supply of national public goods; the advantage in the capacity for social mobilization; the advantage in unified thought; the advantage of the People's Congress system; the advantage of political consultation; the advantage of national unity; the advantage of reform and innovation; the advantage in being a learning-oriented country; the advantage in training, selecting and appointing political talents; the Party's advantage in strengthening its self-building. See Hu. A & Yang. Z. (2013). "Zhongguo Zhengzhi Youshi [China's Political Advantage]". *Qiushi*, 7, p. 62.

Table 4.4 The Added Value of the Cultural Industry and its Proportion of China's GDP (2005–2035)

Year	Added value of cultural industry (CNY 100 million)	Proportion in GDP (%)
2005	4253	2.30
2010	11,052	2.75
2012	18,071	3.48
2016	30,254	4.07
2020	50,000	5.0
2035	136,500	7.0
Annual average growth rate and variation in 2005–2015 (%)	20.4	0.17
Annual average growth rate and variation in 2015–2020 (%)	12.9	0.21
Annual average growth rate and variation in 2020–2035 (%)	6.9	0.13

Notes 2005–2015 data provided by the National Bureau of Statistics, *Guangming Daily*, Jan. 7, 2017; 2020, 2030, and 2035 data estimated by the authors

4.2.3 Cultural Construction

China will significantly enhance its cultural soft power, and complete the building of a great socialist culture. China must inherit and carry forward traditional Chinese culture, while also innovating and enhancing the overall strength of culture. We will complete the construction of a public cultural service system that covers everyone, meet the ever-growing spiritual and cultural needs of the people, and significantly improve the appreciation of fine culture, social etiquette, and civility. We will also complete the building of the world's largest cultural market. The cultural industry has become an important pillar industry of the national economy, and the proportion of its added value in GDP will continue to increase, from 4.0% in 2016 to 7% in 2035 (see Table 4.4). Meanwhile, China will strengthen the advancement of core socialist values to guide social trends and build social consensus. We will significantly enhance China's cultural soft power and the international influence of Chinese culture. We, the Chinese people, have full confidence in our own culture.

4.2.4 People's Livelihoods and Social Advancement

People are leading more comfortable lives. China will develop from a society with the world's largest middle- and high-income population to a society with the world's largest high-income population. Disparities in urban–rural development, development between regions, and living standards will be significantly reduced, and the Engel coefficient of urban and rural residents will decrease to 20–22%. This change

represents a richer consumption structure. Equitable access to basic public services will be largely ensured. China will also strengthen education, develop a quality workforce, and build the world's largest learning society of life-long learning and flexible learning for everyone. China's 3-year preschool gross enrollment ratio and the high school gross enrollment ratio will each reach more than 95%, while the gross enrollment ratio of higher education will be more than 60%, and at least 40% of China's working age population will have received higher education. Our basic health care system will become more mature and refined, and will ensure the delivery of comprehensive lifecycle health services for everyone. All of China's people will enjoy more equitable health services and health security of a higher standard and quality. The per capita life expectancy will reach 79.5 years, and the health industry will become a pillar industry. China will become the largest country, with the richest human resources, in the world.

China's HDI will improve from its 2015 value of 0.737–0.88 by 2035, and the gross value HDI (product of total population and HDI) will improve from 1.013 billion population HDI to 1.265 billion population HDI (Table 4.5).

The HDI of 31 provinces, cities, and autonomous regions around China will be improved to different extents. As can be seen from the human development levels (Table 4.6), there are three clear trends: (1) The differences among HDI coefficients among different regions will continue to decrease; (2) The proportion of populations with very high HDIs in the total population will significantly increase, from 17.5%

Table 4.5 Predicted Human Development Index (2015–2035)

	2015	2020	2030	2035	Annual average growth rate of 2015–2035 (%)
Per capita GDP (2011 international dollar)	13,572	18,070	28,854	36,632	5.1
Per capita life expectancy (years old)	76.36	77.3	79.0	79.5	0.2
Expected schooling years (years)	13.0	13.5	14.4	14.8	0.7
Per capita schooling years (years)	10.23	10.8	11.7	12.0	0.8
Human development index	0.737	0.782	0.860	0.88	0.9
Number of populations (100 million)	13.75	14.17	14.51	14.38	0.2
Gross value of human development index (HDI of 100 million populations)	10.13	11.08	12.48	12.65	1.1

Note Average schooling years are the average number of schooling years of the working age population. The expected schooling years excludes preschool education. For the FDI threshold, please refer to the minimum and maximum human development levels of various countries in the *Human Development Report 2015*. The gross value of the HDI is the product of total population and HDI, and is calculated and predicted by Wang Hongchuan based on Chinese data from 2000 to 2015. Per capita GDP is predicted as per the medium scheme. (See Appendix for more detail.)

Table 4.6 Proportion of Different HDI Groups in 31 Provinces, Cities and Regions in the Total Population of China (1982–2030) (Unit: %)

	1982	1990	2000	2010	2015	2020	2030
Very high human development level (HDI > 0.8)	0.0	0.0	0.0	4.4	17.5	46.3	89.7
High human development level (0.7 < HDI ≤ 0.8)	0.0	0.0	3.2	66.2	73.9	53.5	10.3
Medium human development level (0.55 ≤ HDI ≤ 0.7)	0.0	6.4	87.9	20.4	8.6	0.2	0.0
Low human development level (HDI < 0.55)	100.0	93.6	8.7	0.0	0.0	0.0	0.0
Total HDI of China	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note Data source, see Appendix 2 in this book

in 2015 to nearly 90% by 2030; and (3) The proportion of populations of high human development levels in China’s total population will continuously decrease, from 73.9 to 10.3% (see Table 4.6). This reflects the convergence of China’s public services and HDIs in various regions, and will become a basic trend, whereby China is moving towards common prosperity for everyone. This shift also reveals the essential characteristics and superiority of the socialist system.

4.2.5 Ecological Civilization

China’s ecological environment will be fundamentally improved, and the goal of Beautiful China will be realized. China has entered a new era of green innovation, ecological investment, and ecological surplus, and will develop a new model of green modernization with Chinese citizens developing in harmony with nature.

China will establish an energy sector that is clean, low-carbon, safe, and efficient. Energy use efficiency in China will reach the international advanced level, and the proportion of fossil energy consumption will be further reduced. Furthermore, the proportion of clean energy consumption in the primary energy consumption will reach more than 35%. China will complete the building of the world’s largest clean energy supply system and of the most efficient and cleanest coal power system, while reducing the capacity of coal power to below 50% and fully realizing ultra-low emissions.

We will continue to improve the environmental quality. Our efforts have already led to marked improvements in atmospheric, water, and soil environments, and China has effectively controlled major environmental pollution factors and ecological security risks. These efforts are conducive to the basic formation of a clean, ecologically sound, and sustainable environment in which Chinese citizens can live and work. Thus, we have effectively guaranteed China’s environmental quality, and have rapidly improved the ability to guarantee the nation’s ecological security.

China will also implement green development and production. We will finish building a green economic system that has both system integrity and an optimized structure. This will become a pillar industry of the national economy. The energy-saving and environmental protection industries and the circular economy will become strategic industries. China will develop numerous large, green enterprise groups with green innovation capacity and international competitiveness, and formulate standards for green technology products and green brands. Furthermore, China will realize a green transformation between economy and industries, between industries and enterprises, and between technologies and products, and will create the world's largest green employment opportunities.

In order to promote a green life style for China, we will further strengthen the environmental protection consciousness of all people, formulate green consumer service standards, and promote eco-friendly consumption, food, transport, housing, and offices. Thus, an eco-friendly life style will become the norm, and the people will voluntarily contribute to the construction of Beautiful China.

China will achieve remarkable results in ecological civilization, and make noticeable progress in major ecological conservation and restoration projects. Furthermore, we will continuously increase forest coverage, forest areas, and stand volume, as well as restoring ever-increasing degraded wetlands, while reducing areas affected by desertification. China will also create numerous national and provincial parks.

To ensure ecological security, China will basically establish a shield system. We will put in place a unified national spatial planning system, and draw clear red lines for protecting ecosystems, designating permanent basic cropland and delineating boundaries for urban development. The production space will be safe and efficient, and the living space will be comfortable and habitable. Likewise, China's ecological space will be rich in clean water and green hills. The quality and stability of natural ecosystems, such as forests, lakes, wetlands, grasslands, and ocean, will be significantly improved.

The system for building an ecological civilization will be further refined. China will accelerate the modernization of the ecological environment governance system and governance capacity. It will annually evaluate the green development index as the evaluation index of ecological civilization, and assess it once every five years. It will improve the systems for environmental protection, set up diversified mechanisms for ecological compensation, and further improve ecological civilization policies, laws and regulations. Thus, China will realize the modernization of the system and the capacity for governance in the field of ecological civilization, improve the value assessment and calculation system of ecological environment resources, and prepare the balance sheets of various resources. Furthermore, China will establish accounts for physical quantity evaluation, form responsible parties and investigation systems suitable for natural laws, and create effective ecological environment management systems.

China will build a climate-resilient society and a low-risk society. It will comprehensively improve the ability to protect against various natural disasters, build up the capacity for disaster prevention, mitigation, and relief, and significantly reduce casualties caused by disasters. Furthermore, China will effectively control the impact

of disasters on the GDP. It will witness the peak of greenhouse gases such as carbon dioxide and then their steady decline, and will play the biggest role in reducing emissions in response to global climate change. China will become actively involved in global environmental governance, strengthen international cooperation in environmental governance, and help developing countries protect their environment. We will also respond to climate changes, curb carbon emissions, and fulfill our commitments on emissions reduction.

4.2.6 Construction of National Defense and Armed Forces

China will realize the modernization of its national defense and armed forces. Our military will be modernized in terms of theory, organizational structure, service personnel, and weaponry. We will accelerate the creation of a modern combat system with distinctive Chinese characteristics, and speed up attempts to achieve greater military–civilian integration, which will be comprehensive, multi-field, and efficient. China will also improve its national defense mobilization system.¹⁵ We will make full use of China’s institutional advantages, such as our nationwide mechanisms and market mechanisms, and will steadily enhance the proportion of defense expenditure in the national economy. Additionally, we will open the defense system to the domestic market, effectively linking the development of national defense with national planning, and converting the development of China’s comprehensive national strength to the development of its defense capabilities.

4.3 2050 China: Comprehensively Building a Great Modern Socialist Country

When we consider China’s second centenary goal, we are faced with the following questions: How do we achieve the second centenary goal after building a moderately prosperous society in all respects by 2020? What strategic plan and development path will be followed? To answer these questions and achieve the goal, we must make strenuous efforts to follow, step by step, a long-term process.

According to the report of the 19th Party Congress, the building of a modern socialist country in all respects in 30 years (from 2020 to the middle of the twenty-first century) will occur in two stages: In the first stage (2020–2035), China will build on the foundation created by the moderately prosperous society with a further 15 years of hard work to ensure that socialist modernization is realized; and in the second stage (2035 to the middle of the twenty-first century), having already achieved modernization, we will work hard for a further 15 years to develop China into a great

¹⁵Xu (2017).

modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.¹⁶

The overarching objective is to build a great modern socialist country by 2050: a country that is prosperous, strong, democratic, culturally advanced, and harmonious in all respects. This objective encompasses six goals, as outlined below.¹⁷

First, China will finish building a great modern socialist country that is prosperous, strong, and economically developed. The statement “the people will be rich” means that China’s per capita income level, human development level, industrialization, IT application, urbanization, and modernization indexes will join the ranks of developed countries. That is, by 2050, China’s per capita GDP (PPP, 2011 international dollar) will equal 70–89% of the US rate.¹⁸ Regarding international comparisons, **China will achieve its goal whereby “per capita GDP will reach the level of developed countries” by the absolute or relative level of per capita GDP by 2050.**¹⁹ China will transition from an era of common prosperity to an era of common development. When we state that China will be a “strong country,” this means that main aggregate indexes will continue to be ranked first in the world, and core competitiveness will be ranked among the best in the world. China will significantly increase its economic and technological strength, and will become a global leader in scientific and technological innovation, and a key scientific center.

Second, China will finish building a great modern socialist country that is democratic and politically developed. In this context “democratic” refers to the development of socialist democracy, law-based society and country, and political advancement, where the advantages of the socialist system, and various political and national advantages, will be highlighted. The people will also reap the advantages of living in a country governed by the people.

Third, China will finish building a great modern socialist country that is civilized and culturally advanced. In this context, “civilized” means that the development of an advanced socialist culture, spiritual civilization, cultural undertakings,

¹⁶Xi (2017).

¹⁷Here I draw on Zhang Gaoli, “Embark on a New Journey toward Fully Building a Modern Socialist Country.” *Guide to the Report at 19th Party Congress*, People’s Publishing House, 2017 edition, pp. 28–29.

¹⁸By 2050, the per capita GDP of China will reach 60,700–77,000 international dollars. This estimate is significantly higher than the results predicted by the Asian Development Bank and reported in *Asia 2050-Realizing the Asian Century*. The Asian Development Bank predictions are based on two scenarios: (1) In the Asian Century Scenario, the per capita GDP (PPP) of China will reach USD 52,700 by 2050, equivalent to 55.5% of the per capita GDP (USD 94,900) of the United States. (2) In the Middle-Income Trap Scenario, China’s per capita GDP will equal USD 23,500, equivalent to 24.8% of the per capita GDP (USD 94,900) of the United States. Honorable Chair et al., *Asia 2050-Realizing the Asian Century* (Chinese version). People’s Publishing House, 2012, p. 242.

¹⁹According to data provided by the World Bank, in 2015 the per capita GDP rates (PPP, 2011 international dollar) of 11 countries or regions were higher than that of the United States; 10 countries or regions had rates that were 80–100% that of the United States; the per capita GDP rates of 20 countries or regions were 50–80% that of the United States, and 42 countries (including China) had rates that were at least 50% of the per capita level of the United States.

and cultural industry will all advance to the next level, and people will live richer spiritual and cultural lives. The moral quality of China's citizens will be improved in all respects. Observing core socialist values will become a conscious action of the whole society, national moral standard will be significantly improved, and the Chinese spirit, values, and strength will become important influences and driving forces of China's development. China will become a global leader in terms of international influence. The overall strength, international influence, and soft power of Chinese culture will increase.²⁰

Fourth, China will finish building a great modern socialist country that is harmonious. China will build a vigorous, united, and harmonious society, and form mechanisms to effectively regulate various social conflicts, cope with various social crises, and reduce various social costs. It will achieve full and high-quality employment, and a high proportion of business startups. China will also complete the building of a more convenient and high-quality public service system, and ensure the delivery of comprehensive lifecycle public services for everyone. China's indexes related to health, education, and social development will be at the top of the world rankings. We will complete the building of a social security network for everyone, and comprehensively narrow the regional, urban and rural, and income divergences.

Fifth, China will finish building a great modern socialist country that is beautiful. A "beautiful" country is one that is "green." In this regard, China will innovate the green modernization of ecological civilization with the most typical Chinese characteristics. We will realize harmony, coexistence, and co-prosperity between humans and nature, establish the largest forest areas in the world, and implement the "two shields and three zones" strategy for ecological security. Furthermore, China will create a country of harmony between humans and our water resources, ensuring blue sky, clean water, and green energy, thus establishing a world-leading resource-conserving and environment-friendly society. China will emerge as a climate-resilient and low-risk society, and greatly reduce the emission of carbon dioxide and other greenhouse gases. This is the green modernization of ecological civilization with the most typical Chinese characteristics, that is, the creation of a Beautiful China.

Sixth, China will finish building a world-class armed forces, and our defense capabilities and combat capability will be ranked as one of the best in the world.

Seventh, China will complete the construction of a country that will make great contributions to human development. Human beings live in one global village. Countries depend on each other, share joy and sorrow, and must work together to develop a community with a shared future for humankind.²¹ To this end, **China will make five major contributions to human and world development: peace, economy, innovation, culture and civilization, and green ecology.**

²⁰The content here was revised on Jan. 5, 2018.

²¹Xi (2015).

By 2050, China, an ancient country with a civilization that goes back more than 5000 years, will radiate unprecedented vitality, possess a fully modernized governance system and capacity, and be a global leader in terms of composite national strength and international influence.²²

Realizing the socialist modernization of China will remain the major focus of our work in the first half of the twenty-first century, and the key concept will continue to be “comprehensiveness,” which will further enrich and promote “completing the building of a moderately prosperous society in all respects” in several stages. Our main tasks and strategic plan for socialist modernization will be realized in two steps: by 2035, China will realize socialist modernization, and by 2050, China will complete the building of a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful. Therefore, the Party’s overarching policy on governance will continue to be coordination and promotion in accordance with the five-pronged comprehensive strategic plan (developing modernization in all respects, deepening reform in all areas, law-based governance in all areas, full and strict governance over the Party, participating in global governance in all areas).

In the next few decades China will enter the middle stage of socialism. Therefore, China is able to consider and propose a third centenary goal: the completion of the building of a highly developed socialist country by the centenary of the economic reform and opening up. This will push us towards the realization of the great rejuvenation of the Chinese nation by the end of the twenty-first century.

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²²Zhang (2017b).

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Chapter 5

Integrated Plan of Modernization



We will promote economic construction, political construction, cultural construction, social construction, and ecological civilization in all areas, promote coordinated modernization in all respects and processes, and build a beautiful China.

Xi Jinping (2013).

The overall plan for creating socialism with Chinese characteristics is the five-sphere integrated plan, and the overall strategy is the four-pronged comprehensive strategy.

Xi Jinping (2017).

We need to stay committed to the Chinese path of building strong armed forces and fully advancing the modernization of the national defense system and the military.

Xi Jinping (2017).

How do we transform China by 2050 into a great, modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful? The way to achieve this goal is to follow the six-sphere modernization strategy, the essence of which is to realize the well-rounded development of the people. This strategy comprises economic modernization, social modernization, cultural modernization; and the modernization of ecological civilization, of political construction, and of China's national defense system and the armed forces.

As Xi Jinping made clear in his report delivered at the 19th Party Congress, we must "stay committed to the Chinese path of building strong armed forces and fully advancing the modernization of our national defense system and military."¹ This implies incorporation of the modernization of the national defense system and military into the six-sphere integrated plan of modernization. We can achieve the goals of prosperity and strength via economic modernization, and the goal of democracy through political modernization. Furthermore, we can obtain harmony through social modernization, and become culturally advanced through cultural modernization. The

¹Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era* - Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

goal of green development can be attained via the modernization of ecological civilization, and national security will be guaranteed through the modernization of our national defense system and the armed forces.

The six-sphere strategy is essentially centered on human modernization. The aim is to ensure the modernization of China's economic, social, political, and security spheres, which together represent the prerequisite and guarantee for well-rounded human development.

The modernization of the six spheres is an interrelated, mutually supportive, and interactive process. The six spheres themselves form an organic whole that encompasses both productive forces and production relations, economic foundation, and superstructure. Economic modernization is the basis for well-rounded modernization, while social modernization reflects the characteristics of a socialist society. Green modernization is essential to meet the China's current national conditions, while political modernization provides effective incentives. Finally, cultural modernization aims to achieve the great rejuvenation of the Chinese nation and build modern socialist ideology.

From a comparative international perspective, China's **six-sphere modernization has surpassed examples of Western modernization, which have focused mainly on economic and material aspects. It has also provided an important guide for southern countries to realize innovation and well-rounded modernization.**²

Through discussion and recommendations based on China's six-sphere modernization moving towards 2050, we are able to indicate the direction of the struggle, clarify the objectives of our efforts, formulate an overall plan, and specify basic tasks.

5.1 Economic Construction

The report delivered at the 19th Party Congress states that, "To deliver on the two centenary goals, realize the Chinese dream of the great rejuvenation of the Chinese nation, and steadily improve our people's lives, we must continue to pursue development as the Party's top priority in governance. We must unleash and develop productive forces, continue our reform to develop the socialist market economy, and promote sustained and sound economic growth."

Socialist modernization requires not only the maintenance of steady and healthy economic development, but also the implementation of major changes to the economic structure and developmental impetus. In terms of economic structure, we shall transition from traditional economic development to modern economic development, from agriculture-led and industry-led systems to a modern industrial system with the coordination of primary, secondary, and tertiary industries, and we will complete the building of an economic entity based on services, particularly modern services. With regard to the driving force of development, we will shift our focus from natural resources and human resources, and look instead to investment-

²Hu (2013).

and innovation-driven models. Thus, human resources, talents, and science and technology innovation will become key factors in building social prosperity.

China is implementing a comprehensive innovation-driven strategy, and is replacing its original factor-driven strategy with a technology-driven approach. In this regard, the report delivered at the 19th Party Congress states that, “Innovation is the primary driving force behind development; it is the strategic underpinning for building a modernized economy.” Building a system in which education, talent, and science and technology depend upon and promote each other will result in an unprecedented growth in science and technology innovation achievements. This in turn will lead to a significant increase in the proportion of Chinese science and technology in worldwide innovation, while also increasing China’s global ranking in this area. Indeed, China is already breaking the monopolistic advantages of the Western-led world economy, trade patterns, and science and technology innovation, as reflected in the substantial improvement in our science and technology innovation ability, and increased human capital, investment capacity and marketability in sci-tech. It is predicted that China will soon rank number 1 in overall science and technology strength, and take its place as a world-leading science and technology innovator.

China will also make great strides in terms of the quality and efficiency of economic development. With regard to industrial structure, China will move towards a post-industrialization or service industry era. By 2050, the proportion of agricultural added value in GDP will be reduced to 4.0%, and the level of agricultural modernization will be further improved. For example, we will soon enjoy, as developed countries currently do, a modern agricultural industry with modern materials and equipment, modern agricultural science and technology, modern agricultural mechanization and informatization, business operation systems for modern agriculture, and specialized agricultural services. China’s agricultural productivity will reach, at the very least, the same level as that of moderately developed countries. The proportion of the added value of the secondary industry will be reduced to about 25%. This will include a continuous decrease in the proportion of industrial added value (to below 20%), and the level of labor productivity will be higher than that of developed countries. China will become not only a manufacturer of quality goods, but also one with a world-leading high-tech industry. The added value of tertiary industries will increase to approximately 70%, which is equivalent to the average value (70.1%) of OECD countries in 2015.³ The knowledge economy (especially the knowledge service industry) will also become a key industry in China. Other industries such as tourism, health and elder care, the cultural industries, and education and training, will enter a period of rapid growth and will become important pillar industries. They will also become the world’s largest industries in terms of added value, employees, and service population. By 2050, China’s employment structure will enjoy the same characteristics as the employment structure of developed countries. Approximately 7% of China’s workforce will be employed in the agriculture sector, 20% in secondary industries, and 70% in tertiary industries. In the future,

³Data source: World Bank Database.

Table 5.1 Proportion of capital investments in research and development, health, and education in China’s GDP (2015–2050)

	2015	2020	2030	2035	2050
R&D intensity (%)	2.06	2.50	3.00	3.11	3.50
Proportion of total health expenditure in GDP (%)	5.95	7.4	8.6	9.0	10.3
Proportion of national fiscal education expenditure in GDP (%)	4.26	4.72	5.13	5.28	5.50
Total (%)	12.27	14.62	16.73	17.39	19.30

2015 data sources National Bureau of Statistics: *China Statistical Yearbook 2017* (Beijing: China Statistics Press, 2017), 632, 698, 722

digital and network economies, as well as other new economies, and new industries and models will quickly become the economic base of China’s national economic and social development. These new entities will extend to all industries, as well as Chinese society, its people, and all services. The three major industrial areas will continue to create the world’s largest number of jobs and highest personal income through further connectivity, integrative development, and common development.

The proportion of human capital supporting China’s long-term economic development in GDP will increase, and the proportion of the three major capital investments in research and development, health, and education in GDP will improve from 12.27% in 2015 to 19.30% by 2050 (see Table 5.1). These trends reflect the situation whereby “software investments” will greatly support China’s long-term, stable, and sustainable development at a medium-high speed, and will become important research areas, development capital, and human resource capital for China.

Whilst maintaining the traditional advantages of the manufacturing industry, China will accelerate the creation of new modern industrial strengths. Currently, China’s vast mid-west hinterland remains a huge strategic space for industrial transfer. Future industrial development will feature comprehensive global competitiveness, and the country’s coastal areas will become open areas of high value-added industries, high-tech industries, modern service industries, and globally innovative factories. Landlocked areas will become centers for manufacturing, a new world factory.

China’s urban population will increase, and there will be a greater integration of urban and rural areas, as well as an increase in the proportion of aged populations. The latter may result in a new motivation for saving and a new supply of human capital, which in turn will improve China’s total productivity and promote sustainable economic growth. China will strengthen its rural infrastructure and social development, comprehensively improve rural production and living conditions, and form a new type of intensive, specialized, organized, and socialized agricultural management system. In order to achieve a system of integrated urban and rural development, we will focus on promoting integration in areas such as urban and rural planning, infrastructure, and public services. New patterns of equal exchange between urban

and rural areas and a balanced allocation of public resources will also be implemented. China will improve labor productivity through better education, and create new funding sources to improve its pension security system. Reform of the labor market system will facilitate the expansion of labor resources and of the human capital stock in the form of China's aging population.⁴

China will further improve its economic openness in all respects. As was emphasized by the report delivered at the 19th Party Congress, "Openness brings progress, while self-seclusion leaves one behind. China will not close its door to the world; we will only become more and more open." To adapt to the new situation of economic globalization, China must implement a more proactive strategy of opening up, and improve its diversified and balanced economic system, featuring mutual benefit, security, and efficiency. While Western countries are sluggish, southern countries will become the main driving force of global economic growth, thus creating a huge market space, investment space, and employment space for China's development. China will cultivate a number of world-class multinational companies, and with the Belt and Road initiative it will ensure bilateral, multilateral, regional, and sub-regional opening up and cooperation. This initiative represents the accelerated implementation of China's free trade area strategy, and it promotes developing partnerships with neighboring countries.

The endogenous driving force of China's economic growth derives from industrialization, urbanization, IT application and digitization, internationalization and globalization, and infrastructure modernization. These are the five major engines for China to maintain its high economic growth rate. Their development has been the largest and fastest in human history, and in future they will continue to provide new driving forces for economic growth in China.

5.2 Political Construction

The people, and only the people, are the driving force behind the creation of world history.⁵ As such, the people play the principal role in the great rejuvenation of the Chinese nation. The basic premise of political construction is the unification of the people's goals with the national goals, and of the people's interests with the national interests. Through the continuous development of socialist democratic politics with Chinese characteristics, China can better unify the thoughts and actions of the people in different regions, and cadres of various national departments, to enable "people-centered" development. In this way, compatible concepts, goals, motives, and actions can be achieved.

Political modernization involves promotion of the political construction of China, in order to constantly improve and better implement a system of socialist democratic

⁴Cai Fang, *Demographic Transition, Demographic Dividend and Lewis Turning Point*, *Jingji Yanjiu* (Economic Research Journal), vol. 4, 2010.

⁵Mao (1991).

politics with Chinese characteristics. Through adhering to the Party's leadership and insisting on the fundamental political system of China, a higher level of socialist political civilization will be reached. Such a political civilization will comprise two aspects. First of all, the national institutions will be further refined, more mature, and resilient. A complete set of systems will ensure the realization of democracy for the people, the CCP's leadership of state power, the construction of a law-based country, and the continued strength and competence of the Party. Second, implementation will be more effective, transparent, and equitable. China will continuously improve its executive capacity, a process that will in turn perfect the political institutions.

The political path of the people's democracy is the right path to achieve the transformation from a nation in decline to a nation undergoing revitalization, and then from revitalization to rejuvenation. The greatest strength of the Communist Party is the people, and the greatest risk is disengagement from the people. To ensure democracy, it is necessary to ensure close ties between the Party and the people, as close as the relationship between fish and water.

The Communist Party of China first established its modern political party, followed by the founding of the modern state, and then opened the road to industrialization, urbanization, and modernization. The emergence of industrialization and urbanization fostered the great rejuvenation of the Chinese nation. Mao Zedong insisted, "We should believe in the people, and we should trust the Party, which are two fundamental principles. If we doubt the two principles, then nothing can be achieved."⁶ As long as we insist on the two basic principles, adhere to the people's democracy, and persist under the leadership of the Communist Party, we can accomplish anything, and China will achieve a great rejuvenation in the twenty-first century.

The aim of the modernization of the state system is essentially to reduce the cost of national governance while improving the profits. International competition in national governance is essentially the competition between different governance systems and governance capacity. Effective national governance will also promote market regulation, establishing a unified, competitive, and efficient market system. The goals of national governance are the same as those of social governance, that is, to reduce not only China's social governance cost, but also grassroots social management costs. Further goals include the maximization of social benefits at both the micro and macro levels.

It is essential that China achieves synergy of state, market, and society. China needs not only the efficient and invisible mechanism of the market, but also the efficient and visible supervision of the government. The efficient implementation of social governance is also important to reduce market transaction costs and those costs associated with national and social governance. We must also obtain the maximization of micro- and macroeconomic benefits, and of social benefits. China will promote and implement synergy between government and market, state and society, and Party

⁶Mao Zedong, *On Agricultural Cooperation* (Jul. 31, 1955). People's Publishing House, p. 9.

and people. It will realize the institutionalization, standardization, and routinization of the governance of various Party, state, and societal affairs, and constantly improve the ability to govern China effectively under a socialist system with Chinese characteristics.

5.3 Cultural Construction

The 19th Party Congress reported that: “Culture is the soul of the country and nation. Our country will thrive only if our culture thrives, and our nation will be strong only if our culture is strong. Without full confidence in our culture, without a rich and prosperous culture, the Chinese nation will not be able to rejuvenate itself.”

The cultural construction of socialist modernization requires promotion of the development and prosperity of the socialist culture. This will result in the development of a great socialist culture in China. Here, the first important task is to improve public values and ethical standards. China shall further strengthen its socialist core values, and equip the Party and educate people with the same values. Thus, the core value system will guide the way, and value consensus and a spiritual core will be achieved. Cultural construction will benefit all people, ensure the completion of a public cultural service system with universal coverage, and comprehensively improve public values, ethical standards, and civic-mindedness. It will also enrich people’s spiritual and cultural lives. Cultural construction can only be realized based on the development of China’s cultural industry. Therefore, China shall vigorously enhance the scale, intensification, and professional level of its cultural industry, transform it into a pillar industry of the national economy, and continuously strengthen the international influence of the Chinese culture.

Comrade Xi Jinping values both socialist and Chinese culture. He has stated that: “Socialist culture with Chinese characteristics is derived from China’s fine traditional culture, which was born from the Chinese civilization and nurtured for more than 5000 years; it has grown out of the revolutionary and advanced socialist culture that developed over the course of the Chinese people’s revolution, construction, and reform under the Party’s leadership; and it is rooted in the great practice of socialism with Chinese characteristics.”⁷ The cultural construction of socialist modernization will be developed closely around the fundamental characteristics of Chinese culture. These traits comprise socialist-oriented, people-oriented, and nation-oriented characteristics, which together are continuously creating a unique Chinese culture and will eventually realize the goal of developing a great socialist culture in China.

The socialist-oriented characteristic is a core value of Chinese culture; it indicates the direction Chinese culture should take and the path it should follow as it develops. The people-oriented characteristic also plays a leading role in Chinese culture, and

⁷Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era* - Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

reflects the contemporary traits of a culture created and enjoyed by the people. Finally, the nation-oriented characteristic is the historical source of the Chinese culture, and provides inexhaustible driving forces for cultural creation and development.

Among these fundamental traits, the socialist-oriented characteristic requires the strengthening of the socialist core value system, so as to guide the Chinese ethos, ensure social consensus, and form a unified guiding ideology, common faith, strong spiritual power, and basic morals throughout the Party and Chinese society. Only by adhering to a socialist culture with Chinese characteristics can we inspire the cultural creativity of our nation, and develop a great socialist culture in China. China will intensify its study of the socialist theories, continue to adapt Marxist theory suited to China's conditions, and keep learning up to date. Furthermore, it is important to strengthen the study, research, and application of the socialist theories with Chinese characteristics throughout the Party and society, and to enhance their popular appeal. In this way, the theories will become integral to, and play a valuable role in guiding, people's lives. Aided by the provision of events to increase public awareness, people will be able to develop firm ideals and convictions, vigorously foster a Chinese ethos, and be ready to respond to the call of our times. It is also important to actively nurture and practice core socialist values, enrich people's inner worlds, improve their spiritual power, and provide a continuous intellectual impetus for socialist modernization. To improve the level of public cultural service and to enrich people's spiritual and cultural lives, China must have a strong government that leads the way, and strengthen the development of cultural infrastructure in accordance with the requirements for standardization and equitable access. China must also improve its public cultural service network, for example by building practical and efficient public cultural service systems covering urban and rural areas with reasonable structures and sound functions, so that the people can enjoy free or affordable public cultural services.

The people-oriented characteristic requires that socialist cultural construction be co-created and shared by the people. It also requires that we complete the formation of a public cultural service system with universal coverage and significantly enhance public values, ethical standards, and social values and civility. Contemporary Chinese culture is co-created, shared, and collectively owned by China's 1.4 billion people. These important features distinguish Chinese culture from other cultures around the world, and they are the foundation for the strong creativity and vitality of Chinese culture. China will accelerate the development of its cultural industry, and it will build a modern cultural industry system. Cultural creativity affects the whole society; it helps to establish a creative economy, and inspires creativity within everyone. Furthermore, it creates a cultural industry pattern based on public ownership, accompanied by the common development of diversified ownership. China will strive to enrich and benefit the people via culture; it will promote cultural and technological innovation and develop new forms of business in the cultural sector. Also in line with the people-oriented characteristic, China will promote the construction

of socialist morality, and will strengthen social morality, professional ethics, family virtues, and individual moral education. Great importance will be attached to education and personal credit projects, and China will normalize learning activities based on moral models, and comprehensively improve public ethical standards. Furthermore, there will be a focus to improve and perfect ideological and political efforts, and greater attention will be paid to humanistic healthcare and counseling, as well as the promotion of extensive volunteer activities. China will create a positive social atmosphere of mutual help, promote good mental health and optimism, and create people-centered cultural works. Various cultural activities will be organized, and reading will be promoted nationally, as will fitness and Internet use to enrich the cultural life of the people.

The nation-oriented characteristic requires that China inherits, innovates, and carries forward traditional Chinese culture. China must also enhance the overall strength and competitiveness of its culture, thus ensuring its longevity, vitality, and global influence. Chinese people shall inherit and fully understand the history, tradition, nation-oriented characteristic, and innovativeness of Chinese culture, while also respecting the cultures of other nations. They will also realize the contemporary re-innovation and redevelopment of the crystallization of their wisdom. This will occur via social development and meeting the people's cultural needs. China shall give priority to social benefits, whilst also giving due consideration to economic benefit. Furthermore, it will accelerate the development of its cultural industry, and improve its scale, intensification, and professional level by integrating culture and industry. In this way, China's cultural industry will become the pillar industry of the national economy, and will enjoy a high level of international competitiveness and large international market share. China shall promote the integration of culture and science and technology, develop new forms of business in the cultural sector, and enhance its cultural transmission capacity. China will also provide more cultural products for the people and further enhance the competitiveness of its cultural industry. Our nation will keep an open mind towards world culture, actively absorb and learn from the cultural achievements of foreign nations, and strive to ensure the influence of Chinese culture on the rest of the world. Proceeding with high levels of cultural awareness and self-confidence, we will promote the integration and development of the Chinese culture with world culture.

China's cultural soft power and competitiveness are important symbols of national prosperity and rejuvenation. China shall give priority to social benefits, unify social and economic benefits, and promote the comprehensive prosperity of cultural undertakings and the rapid development of cultural industry. Thus, cultural products will become more abundant, and we shall complete the establishment of China's modern public cultural service system. As the cultural industry becomes an economic pillar, China's cultural soft power will be significantly increased, and Chinese culture will move faster in going global. The above steps will result in solidifying the foundation of China's great socialist culture.

5.4 Social Construction

Socialist modernization requires that living standards are improved, and a socialist society with common development and prosperity is built. It is imperative to improve and ensure equitable access to public services (e.g., education, employment and healthcare) and to promote multi-dimensional indicators (e.g., the levels of income, education, health and public services). Similarly, China must ensure balance and confirm the superiority of the socialist system.

People-centered social construction is the basic political principle of the Party. As stated in the report delivered at the 19th Party Congress: “Everyone in the Party must keep firmly in mind that the nature of a political party and a government is determined by those whom they serve. To lead the people to a better life is our Party’s abiding goal. We must put the people’s interests above all else, see that the gains of reform and development benefit all our people in a fair way, and strive to achieve shared prosperity for everyone.”

The fundamental objective of China’s development is to improve the well-being of over a billion people. This means that everyone enjoys a rich and decent life, a higher degree of education, and living longer and healthier lives.

China will further expand lifelong learning opportunities for everyone, and create a modern education system that is more suitable for learning. The professional education system will be further improved, and preschool education opportunities will be increased. Furthermore, China will consolidate and enhance the compulsory education qualifications, and ensure that both senior secondary education and higher education are universally available. The participation rate in continued education will increase significantly, and there will be great improvements in the aspect of a learning society.

The report delivered at the 19th Party Congress assigned priority to developing education, speeding up the construction of socialist modernization education, and pushing China to join the ranks of those countries that are strong in both human resources and talent. We will implement education modernization in all respects, implement 15 years of compulsory education (3 years of preschool education and 12 years of primary and secondary education) in all areas, achieve a 70% university admission rate, complete the building of a nationwide lifelong learning system and society, and achieve 12.8 per capita schooling years by 2050. The quality of education in all areas will be improved, with particular attention to promotion of the development of 3-year preschool education, and balanced and fair development of 9-year compulsory education. Furthermore, high-quality senior secondary education will be universally available, and modern vocational education will be further developed. We will actively develop continued education, and form a lifelong multi-level education system in every area, so as to meet the increasingly diversified educational needs of the people. China will vigorously promote educational fairness, reasonably allocate educational resources, support education development in rural, remote, and poverty-stricken areas nationwide, support special education development, and encourage input from various social entities. We will guarantee the right of every child to receive

education, and develop world-leading higher education. Thus, Chinese universities and disciplines will join the global ranks of first-class tertiary education.

Under the Healthy China Initiative proposed by the CPC Central Committee in the report delivered at the 19th Party Congress, China will improve both its health security system and health service capacity. As a great modern socialist country it will be characterized by a healthy population and first class health provision. China shall further promote the supply-side structural reform of health services, perfect its universal health insurance system, and provide fair, available, systematic, and continuous medical services covering the entire life cycle. Furthermore, China will promote the transformation and development of the health industry, strengthen the supply of health products and services, and fully meet the people's health needs. Health literacy will be improved, enabling people to form independent and self-disciplined healthy lifestyles that meet their own needs, and we will effectively control major health risks. China will also create a productive living environment that contributes to good health. By 2050, China's major health indicators will be among the best in the world. Whilst realizing the second centenary goal of achieving socialist modernization in all areas, we will also have created a healthy China that is capable of supporting the goal. We expect that China's average life expectancy will be more than 81 years by 2050. Furthermore, while its total population will be lower than that of India and rank second in the world, China's healthy human capital will rank first, and China's national health will join the front ranks with other developed countries.

China shall improve and perfect its multi-level employment mechanism, which encourages people to find jobs on their own or start their own business, while ensuring the combination of both market-led and government-supported employment. China shall also improve the human resource market, refine its employment service system, and strengthen the employment information supply mechanism. Efforts will be made to improve the coordination mechanism of the labor system and relations, as well as to improve and strengthen labor security supervision and dispute mediation and arbitration. Quality services will be provided to help people find employment and build harmonious labor relations. Such steps will realize the full potential of China's human resources.

We will improve China's per capita income level, bringing it to the level of developed countries, and we will narrow the income gap within China. We will deepen the reform of the income distribution system, continuously improve the proportion of remuneration in primary distribution, and work to ensure that individual incomes grow in step with economic development. Pay increases will move in tandem with increases in labor productivity, such that the people will personally benefit from China's economic development achievements. China shall accelerate improvements to the redistribution mechanism, mainly by means of revenue, social security, and transfer payments. Furthermore, we will ensure a reasonable distribution of social wealth, and increase and guarantee income growth for low-income earners. Social justice will be guaranteed, as will economic efficiency. In this way, China's economic development achievements will benefit all the people and reflect the superiority of the socialist system.

China will usher in an era of common development, prosperity and wealth. Common development creates common prosperity, and common prosperity promotes increased income for everyone. China will constantly narrow three major gaps: the gap between urban and rural areas, the gap between regions, and the gaps among people. These gaps exist not just in terms of income, but also in terms of development in a broader sense. They include multi-dimensional indicators such as income, education, health, and public services. As we move forward, all people in China will be able to live a relatively rich life, obtain relatively high-quality public services, and fairly share in China's development achievements.

5.5 Ecological Civilization

The report delivered at the 19th Party Congress notes that the building of a beautiful China is among the most important of the current development goals. To achieve this goal, we must cherish the environment as we cherish our own lives. By protecting the ecology we are protecting our productive forces. We will adopt a holistic approach to conserving our mountains, rivers, forests, farmlands, lakes, and grasslands. We must pursue a model of sustainable development featuring increased production, higher living standards, and healthy ecosystems.

China's green approach to modernization, with its commitment to the harmonious coexistence of humans and nature, is the only way to achieve modernization in China in the twenty-first century. It is also the innovative pathway for human development. China will respond to global climate change, develop a green economy, and adjust its industrial structure; more specifically, it will develop green industries, invest in green energies, and promote green consumption. Such steps will promote the long-term economic growth of China, improve the quality of economic growth, and expand social welfare. As such, they will lead to "multi-win" outcomes for economic development, environmental protection, ecological safety, and adaptation to climate change. In the twenty-first century, China will take the lead in innovating a green development mode in which economic growth is accompanied by a slowdown of greenhouse gas emissions. In fact, this mode may not contribute to such emissions at all.

The theme of China's modernization in the twenty-first century is green development. In this period China will complete the transition from black industrialization, urbanization, and modernization to green industrialization, urbanization, and modernization. We will also see a move from black manufacturing to green manufacturing and from black energy to green energy. Black trade will become green trade, and black cities will be transformed into green cities. Furthermore, green consumption will replace black consumption.

China will enter a period of ecological surplus in 2030. In more detail, this means that economic growth will be unrelated to energy consumption, coal consumption, carbon dioxide emissions, water consumption, and pollutant emissions. Moreover, humans will nurture nature, improve the environmental quality, and significantly

improve ecological assets such as forests, grasslands, and wetlands. In this way, the ancient Chinese concept of “harmony between human and nature” will be truly realized. Thus, human development will not be achieved at nature’s expense, and there will be harmonious coexistence and co-prosperity between humans and nature. This is of great significance for China’s future development, and it will also ensure a huge contribution to human civilization.

By 2050, China’s carbon dioxide emissions will have been significantly decreased, to around half the levels of 1990. The proportion of renewable energy sources will be more than 55%, while the proportion of coal consumption will be reduced to 25–30%. Clean utilization will be fully achieved. Furthermore, China’s forest coverage will reach 28%. China will also file the largest number of green technology patent applications in the world. China will have essentially achieved its green modernization, reached the level of developed countries, made a significant green contribution to humankind, and developed a society of ecological civilization.

5.6 National Defense Construction

The report delivered at the 19th Party Congress clearly states that Xi Jinping’s strategy to strengthen military capabilities is guiding the construction of the national defense system and the armed forces (see Special Column 5.1).⁸

The modernization of China’s national defense system has always been an important part of the country’s socialist modernization. Similarly, the strengthening of its military capabilities remains a core objective to create a great modern socialist country.

With a view to building a great modern socialist country in all respects, the 19th Party Congress expressed the Party’s continued commitment to the construction of strong armed forces. It formulated a strategic plan to fully advance the modernization of China’s national defense system and military, and an objective plan to build the people’s forces into a world-class force. By 2020, mechanization of infantry will be essentially achieved. Furthermore, significant developments will have taken place in both IT application and strategic capabilities. By 2035, the modernization of our national defense system and forces will be essentially complete. By the mid-twenty-first century, our people’s armed forces will have been fully transformed into a world-class force.⁹

⁸Xu Qiliang, *Firmly Establish the Guiding Role of Xi Jinping’s Strategy on Strengthening Military Capabilities in National Defense and Armed Forces Construction. Guide to the Report at 19th Party Congress*, People’s Publishing House, 2017 edition, p. 51.

⁹Xi Jinping, *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era* - Delivered at the 19th National Congress of the Communist Party of China, Oct. 18, 2017.

Special Column 5.1: Xi Jinping's Strategy to Strengthen Military Capabilities

The Party is upholding its absolute leadership over the people's armed forces. It is strategically important to build the people's forces, which obey the Party's command and can fight and win, and maintain a high level of conduct, to achieve the two centenary goals and national rejuvenation. To realize the Party's goal to build a powerful military in the new era, we must fully implement the fundamental principles and systems of Party leadership over the military, and ensure that Party strategy to strengthen military capabilities for the new era guides the development of China's national defense and armed forces. We must continue to enhance the political loyalty of the armed forces, strengthen them through reform and technology, and operate them in accordance with the law. We must place a greater focus on combat, encourage innovation, build systems, increase efficacy and efficiency, and further ensure military–civilian integration.

Data source: *Report at the 19th Party Congress*, Oct. 18, 2017.

The construction of China's national defense system represents the foundation for building China; it is an important guarantee for the great rejuvenation of the Chinese nation, as well as an important aspect of the six-sphere integrated plan for modernization. We will propel China into a leading position in terms of economic and technological strength, defense capabilities, and composite national strength. Currently, China's defense capabilities are completely separate from its economic, technological, and composite national strength, and neither adapts to the national needs for a security guarantee, nor matches China's international status. Consequently, with regard to China's socialist modernization, we fall short in terms of our national defense system, and must therefore accelerate efforts to modernize that defense system and armed forces. In terms of international comparisons with other world powers, China still lags behind in its defense budget. In 2015, China's defense expenditure was just 1.33% of its GDP. While it is clearly difficult to meet the national defense needs of such a large country, China's expenditure was far lower than that of the United States (3.31% in 2015), Russia (5.01%), and India (2.42%); indeed, it was one of the lowest in the world (although Japan's was lower). National defense is also a productive force. Therefore, China needs to determine a reasonable proportion of defense expenditure in GDP, achieve a degree of coordination between national security and development, and ensure that efforts to make our country prosperous and our military strong go hand in hand. The proportion of defense expenditure in GDP should be no lower than 2.0%, while aiming for 2.5%.

China will vigorously promote its strategy for greater military–civilian integration. This is a strategy not only to invigorate China, but also to strengthen our military capabilities. It is vital to achieve national rejuvenation by invigorating China and strengthening its military capabilities. The report delivered at the 19th Party Congress states that: “We should ensure that efforts to make our country prosperous and efforts

to make our military strong go hand in hand. We will strengthen unified leadership, top-level design, reform, and innovation. We will speed up the implementation of major projects, deepen the reform of defense-related science, technology, and industry, achieve greater military–civilian integration, and build integrated national strategies and strategic capabilities.”

China will achieve integration in four areas: the socialist market economy, the mixed socialist economy, the regional and local economy, and the Chinese and world economies.¹⁰ To promote military–civilian integration, China must firmly rely on the advantages of the socialist system with Chinese characteristics, and improve the top-level design of military–civilian integration and the construction of its superstructure system. Furthermore, it must perfect the policy enforcement mechanism, and include system dividends for military–civilian integration.

Military–civilian integration means giving full play to the positive role of the government (armed forces) and the market in the effective allocation of defense resources, the maximization of defense output efficiency, and the transformation of China’s armed forces into a high-level, efficient, and science and technology-intensive unit. China will not rely on the government alone, but also on the markets, both domestic and international. It will also improve the comprehensive benefits of resource allocation throughout society, and establish a resource sharing system, a collaborative science and technology innovation system, and a system for training military personnel in military–civilian integration. Such actions will fundamentally resolve the bottleneck of China’s national defense development. Finally, China’s national defense system and market mechanism will be integrated and harmonious and will complement, inspire, and promote each other.

China will realize the integration of the military and civilian science and technology systems,¹¹ including the greater integration of domestic technology and market innovation, and of international high-tech market innovation. To achieve this, China will establish closer, smoother, and more integrated systems and mechanisms for science and technology, market, and innovation integration. It will make efforts to achieve the development of integration in multiple fields, including the economy, science and technology, talent, and defense. China will transform its economic strength and composite national strength into defense capabilities, and its science and technology strength into defense science and technology strength. This in turn will further reinforce China’s science and technology strength and the composite national strength.

The construction of China’s national defense system will also produce huge externalities and promote economic and social construction. Market-oriented production and military–civilian integration will become an important part of national defense construction, and provide a universal guarantee for national defense construction.

¹⁰Hu (2015).

¹¹General Secretary Xi Jinping pointed out that the fields of defense S&T, weapons and equipment are vital to develop military–civilian integration, and are also important symbols for measuring the development level of such integration. Xi Jinping, *Accelerate establishing the innovation system of military–civilian integration, and provide strong S&T support for construction of the armed forces of China*. CCTV-1, Mar. 12, 2017.

In conclusion, the six-sphere integrated plan of socialist modernization fully reflects the strategic and long-term plan of socialist modernization for the well-rounded development of China's 1.4 billion people. In accordance with this integrated plan, China will promote coordination among all aspects of socialist modernization, and between productive forces and production relations. Similarly, coordination between China's economic foundation and superstructure will be a priority.

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Chapter 6

Modernization: China's Worldwide Influence and Contribution



We will stay on the path of peaceful development and continue to pursue a mutually beneficial strategy of opening up. China will not only develop, but also highlight its responsibility for and contributions to the world, and we will not only benefit the Chinese people, but also benefit the people of the world. The realization of the Chinese dream will bring peace to the world, instead of turbulence; it will bring opportunities, instead of threats.

Jinping (2013)

To build a community with a shared future for mankind is a beautiful goal, and it is also a goal to be realized through the endeavors of young people, generation by generation. China is ready to work together with all other member states, international organizations, and institutions to jointly promote the great process of building a community with a shared future for mankind.

Jinping (2017)

This is what socialism with Chinese characteristics entering a new era means: The Chinese nation, which since modern times has endured so much for so long, has achieved a tremendous transformation: it has stood up, grown rich, and is becoming strong; it has come to embrace the brilliant prospects of rejuvenation. It means that scientific socialism is full of vitality in twenty-first century China, and that the banner of socialism with Chinese characteristics is now flying high and proud for all to see. It means that the path, the theory, the system, and the culture of socialism with Chinese characteristics have kept developing, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.

Jinping (2017)

By the middle of the twenty-first century, China will not only realize its second centenary goal and become the largest great modern developed country in the world, but it will also exert a great influence on and play an important role in world development. China will make significant contributions to human development in the following five ways:

- (1) **Contribution to economy.** China is the greatest driving force for economic growth in the world, and it will become the largest market in the world, and have increasingly stronger positive externalities and positive spillover effects.

China will make increasingly greater contributions to the global market, trade, employment, and investments.

- (2) **Contribution to innovation.** China will become the largest innovator in the world, and complete the process of re-inventing itself as an innovation-oriented country. China will become a global leader in innovation, and lead to the way for further science and technology progress.
- (3) **Contribution to green development.** China will become the world leader in green development, and make positive contributions to protect the global environment, respond to global climate change, achieve energy conservation and emission reduction, and promote the green industrial revolution.
- (4) **Contribution to culture.** Chinese civilization and China's philosophy on development will have a huge impact on the world. Furthermore, China's cultural soft power will be significantly enhanced. China will advocate a twenty-first century perspective characterized by a "harmonious but different" worldview, which favors the maintenance of world diversity and promotes democratic international relations and diversified development modes. More and more people will accept China's distinctive concepts, such as "each nation appreciates the beauty it has created, and combines their own beauty with the beauty of others," "all nations live side by side in perfect harmony," and "harmony between humans and nature."
- (5) **Contribution to knowledge.** The path, theory, system, and culture of socialism with Chinese characteristics have continued to develop, blazing a new trail for other developing countries to achieve modernization. China's example offers a new option for other countries and nations who want to speed up their development while preserving their independence; and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind.

6.1 China's Influence and Impact on the World: Four Major Trends

Moving towards 2050, humankind will have entered an unprecedented period of reform and of pantisocracy. This shift is clearly reflected in four interrelated and mutually influencing and interactive global trends: "great development," "great convergence," "great reversion," and "great reform."¹ Xi Jinping presented a similar assessment in his report to the Party's 19th National Congress: "The world is undergoing major developments, transformation, and adjustment The trends of global multipolarity, economic globalization, IT application, and cultural diversity are surging forward; changes in the global governance system and the international order are speeding up" China will play a positive and extremely important role in leading and promoting the development of these four major trends.

¹Hu AnGang, Yan YiLong and Wei Xing, *2030 China: March Towards Common Prosperity*, China Renmin University Press, pp. 193–195.

- (1) **Great development.** Global development is reflected mainly in the great development of southern countries, and southern countries will become the most important driving force in the world's third period of golden development. In this regard, the number of participating southern countries (nearly 200 countries or regions), the size of their populations (6 billion people), the rapid development (much faster than northern countries), and the degree of economic globalization and integration are not comparable to the first two golden periods (1870–1913 and 1950–1990,² respectively). By 2050, China will be the largest economic entity in the world, and the major contributor to global economic growth. China will also be a world-leading science and technology innovator, and promote the in-depth development of science and technology and knowledge globalization. The world will move towards common development and progress.
- (2) **Great convergence.** Following a period of economic take-off, southern countries will accelerate to catch up with northern countries, and the great divergence that has characterized the economic development levels between the two regions will disappear. In this period, the per capita GDP of southern countries will reach approximately 33% of that of northern countries. Their human development level will continue to move towards that of northern countries, and the whole world is likely to enter a stage of high human development. Internationally, we will see the transformation of populations living in absolute poverty. Over the past two centuries there has been a steady increase in these populations; we will now see their steady decline. Thus, poverty will be basically eliminated by 2030.³ During this period, China will further develop its economy and reduce the gap with developed countries. China will also enhance cooperation with other countries in economy, trade, and science and technology, helping the world to move towards common prosperity.
- (3) **Great reversion.** Southern and northern patterns will be largely reversed. Southern countries will dominate economic, trade, and investment patterns, ending the domination of northern countries that has lasted for more than two centuries. Southern countries will become the main recipients and providers of investment in foreign countries. The results of economic indicators for southern countries will start to match the proportion of their populations. In this period, China will be further integrated into the global market, strengthen international trade, and become an important participant in global markets. China will engage in significant efforts to ensure that the world is more balanced and equitable.
- (4) **Great reform.** Various issues, including climate change, energy shortages, and aging populations, present many challenges to humankind, but are driving great reforms within the global governance mechanism and structure. Southern countries will become leading actors, play a greater and more active role, and

²Detailed analysis as per Angus Maddison (1995).

³According to the international poverty line, set by the World Bank, a person lives in absolute poverty if they live on less than USD 1.90 per day. Based on information provided by the World Bank Database, the poverty incidence in developing countries decreased from 41.9% in 1981 to 10.67% in 2013 (World Bank Database: <https://data.worldbank.org/indicator/SI.POV.DDAY?locations=1W&start=1981&end=2013&view=chart>); this will decrease to below 3% by 2030.

make greater contributions to the balanced development of the world. Thus, the world will develop in a fairer, more reasonable, and more inclusive direction. China will seize development opportunities, strengthen international cooperation, shoulder corresponding international responsibilities, and become the advocator, promoter, and leader of the reform of the world governance system.

6.2 China's Five Major Contributions to Human Development

China has the world's largest population and the world's largest trade volume. As such, China not only enjoys various opportunities and capacities, but it is also willing and able to make great contributions to human development.

In 1956, the People's Republic of China had been in existence for only 7 years, and had a "poor material foundation and backward culture and science." On this basis, Mao Zedong proposed his famous "China Contribution Theory," whereby, in the twenty-first century China would make greater contributions to humankind.⁴ In 1978, when China still had the largest population of people living in absolute poverty in the world, Deng Xiaoping stated that one day China would make greater contributions to the Third World.⁵

Similarly, in 2007, Hu Jintao proposed that China would make greater contributions to human civilization by 2020.⁶ Again, in 2013, Xi Jinping stated that, "China will not only join its endeavors to its development, but also highlight our responsibility for and contributions to the world, and we will not only benefit the Chinese people, but will also benefit the people in the world."⁷

In 2017, the report presented at the 19th Party Congress stated that, "This new era will be an era of building on past successes to further advance our cause, and of continuing in a new historical context to strive for the success of socialism with

⁴In 1956, Mao Zedong stated in his paper *Commemorate Dr. Sun Yat-Sen* that "in only 45 years from the 1911 revolution to the present, China's appearance has changed completely. In another 45 years, that is, in 2001 or in the twenty-first century, China's appearance will have undergone even more changes. China will become a great socialist industrial country. Because China is a country with 9.6 million km² of land and 600 million people, China should make greater contributions to humankind. We have made very few contributions in the past. This makes us feel ashamed" (Zedong 1999, pp. 156–157).

⁵In May 1978, Deng Xiaoping told foreign guests: "Now we are still very poor. It is impossible for us to do much regarding international obligations of the proletariat, and we can only make a few contributions. By the time the four modernizations are realized with regard to national economic development, we may contribute more to mankind, in particular to the Third World." (Xiaoping 1983, p. 112).

⁶Hu Jintao pointed out that "by 2020 when the goal of building a moderately prosperous society in all respects is realized ... China will become a country that will open itself wider to the outside world, be more approachable and make greater contributions to human civilization" (Jintao 2007; see Party Literature Research Center of the CPC Central Committee 2009, p. 16).

⁷Xi Jinping delivered this important speech at the Moscow State Institute for International Relations, Mar. 23, 2013.

Chinese characteristics It will be an era for all of us, the sons and daughters of the Chinese nation, to strive with one heart to realize the Chinese Dream of national rejuvenation. It will be an era that sees China moving closer to center stage and making greater contributions to mankind.”⁸

In the twenty-first century, China will make significant contributions to human development. China's unique characteristics will ensure contributions through: **(1) scale effect:** the larger the scale of a country's population, economy, and science and technology, the greater its contribution to world development; **(2) speed effect:** the faster a country's development of major economic and social indicators, the greater its incremental contribution to world development; **(3) open effect:** the wider a country opens to the outside world, the more completely it opens to the world, the more deeply it is involved in global development, and the more significant the positive spillover effects on the world will be; **(4) cooperative effect:** the more firmly a country holds an attitude towards mutually beneficial and fair cooperation, the more remarkable the effect of benefiting other countries and the world will be. China already has the necessary conditions for the above four effects, and has obtained the results described above. These four effects are also reflected in China's major contributions to economic development, science and technology innovation, green ecology, and cultural advancement.

Contribution to economic development

The world will undergo significant development in the twenty-first century. China will play the most important role in the global economy. By 2050, China will be the greatest driving force, and a significant contributor to the world's economic growth. This will also be true for world trade growth, investment growth, and employment growth. China will also experience the largest growth in consumption in the world, and make considerable contributions to the market. China's economic development has provided huge opportunities for global economic growth.

Contribution to science and technology innovation

In an international context of major breakthroughs in science and technology, China will take advantage of favorable climatic and geographical conditions and seize all opportunities to catch up, keep pace, and finally lead the world in the science and technology revolution. It will become the world-leading science and technology power by 2050.

China will become the largest innovator in the world, and will turn itself into an innovation-oriented country in all respects. As a global leader in innovation, China will lead the way for humankind to make progress in science and technology.

China has boundless advantages in the field of innovation. Investments in research and development (R&D) are constantly increasing, its manufacturing sector has enormous potential, and further improvements to the education system will ensure that China's reserves of high-quality talent will continue to increase. These factors provide

⁸Jinping (2017).

an important basis for China to stride forward to become a leading innovator.⁹ They are attracting more and more innovation-oriented multinational companies to enter China, and provide strong support for promoting exchanges of innovative technologies. In addition, domestic innovation and R&D institutions will actively upgrade their products with the help of the global innovation network to ensure that “Chinese creations” really will “go global.”

Contribution to green ecology

In the twenty-first century, the world will move towards an era of ecological civilization. This will provide unprecedented opportunities for China to make contributions to green ecology for human development.

The ecological environment comprises not only the largest volume of public goods, but also the most vulnerable public goods. Therefore, both at home and abroad, China needs to innovate green development, invest in the ecological environment, and provide public products for China and the world.

China will become the world's largest investor, producer, consumer, and exporter of green energy, as well as the largest producer and the largest exporter of new energy technology and equipment. China will become a world leader in the development of new energy, clean energy, and low-carbon industries.

China will lead green growth, and start an unprecedented “period of golden growth” in the history of green economic development. China will become the greatest driving force behind global green trade, and one of the largest exporters of green finished goods in the world. It will actively participate in and lead global green governance. Thus, China will make positive contributions to protecting the global environment, respond to global climate change, lead the way in energy conservation and emission reduction, and promote the green industrial revolution.

By 2050, China will significantly reduce its domestic carbon dioxide emissions and substantially increase its energy use efficiency, which will further promote reaching a fair and equitable global climate agreement. China will also actively promote climate change negotiations and the implementation of policies such as international carbon trading. In addition, China will strengthen exchanges and cooperation with other countries with regard to green technology to jointly promote global green development.

Contribution to cultural advancement

In the twenty-first century, all culturally advanced countries will exchange with and learn from each other. This will provide new opportunities for the rejuvenation of the Chinese culture.

The global dissemination and flow of information has enabled a smooth pathway for the dissemination, meeting, and integration of cultures. Under this unique set of conditions it is easier for new cultures to be created, and for new ideas to be spread. In this way, a civilization's prosperity is promoted. Two important conditions for the emergence of a culture are urbanization development and great civilization. This is

⁹Hu Angang, 2030 中国 [2030 China], Beijing: China Renmin University Press, p. 40.

especially true because cities are the basis of modern civilization. In 2050, China's urban population will reach approximately 1.2 billion people, which will be more than three times that of the total US population. This will provide a large space for the creation of culture.

An important condition for culture development is educational development. Accessible education and its popularization will provide the necessary knowledge base for the rejuvenation of Chinese civilization. In the first half of the twenty-first century, China will surpass the United States in the average number of schooling years to become the country with the highest average education level and the most popularized educational development in the world. Another necessary feature for culture emergence is the dissemination method; in this regard, it is significant that China has the largest number of Internet users in the world. Consequently, the current rejuvenation of the Chinese culture is much greater than was experienced in the previous cultural renaissance from the perspective of population size, education level, cultural needs, innovation ability, and dissemination method.

Chinese civilization and China's ideas have already had a huge impact on the world. In future, its cultural soft power will be significantly enhanced, and in line with its aim for a harmonious world it will advocate a "harmonious but different" worldview. The "harmonious concept" advocates maintaining the world's diversity and the promotion of democratic international relations and diversified development modes. Chinese concepts, such as "each nation appreciates the beauty it creates, and combines their own beauty with the beauty of others," "all nations live side by side in perfect harmony," and "harmony between humans and nature," will become more widely accepted.

China emphasizes the need to strive to reach a consensus about its quest for a "harmonious but different" worldview. A further aim is to ensure that countries around the world recognize it in practice and form corresponding international mechanisms and systems. This will enable a peaceful coexistence between countries and common prosperity around the world.

Contribution to development knowledge¹⁰

The biggest challenge facing the world today is development. The core problem is how to enable 80% of the developing countries in the world to achieve sustainable development, common development, and shared development. "The path, the theory, the system, and the culture of socialism with Chinese characteristics have continued to develop, blazing a new trail for other developing countries to achieve modernization. It offers a new option for other countries and nations who want to speed up their development while preserving their independence, and it offers Chinese wisdom and a Chinese approach to solving the problems facing mankind."¹¹

The "core" of Chinese development is the principle of adhering to people-centered development. Our priority will always be to realize, meet, and develop the fundamental interests of our people. These are the fundamental goals of development.

¹⁰ Angang and Zhusong (2017).

¹¹ Jinping (2017).

Furthermore, the starting point, final goal, and core of development is improving the well-being of the people and promoting well-rounded human development. In this way, the gains of development will benefit all our people in a fair way.

The “policy” of Chinese development is to independently choose the goal and approach of the modernization of China. We have laid out a three-step strategy to achieve modernization, “two centenary goals” and “two-stage goals,” and we have worked hard to ensure that industrialization, IT application, urbanization, and agricultural modernization go hand in hand. Furthermore, China’s infrastructure has undergone a revolution and we have stepped over the “wide development gap,” while substantially improving the people’s livelihoods. China promotes well-rounded human modernization and all-round social progress.

The “way” of China development is the methodology of pragmatically selecting a modernization approach. We will choose a way that corresponds to our own national conditions based on China’s actual situation, and we will realize the goals through the endeavors of the Chinese people, generation by generation. China will bravely and skillfully promote self-innovation, maintain institutional vitality, grasp both our internal and international imperatives, and develop a shared future for mankind based on mutual benefits.

6.3 China Promotes the Joint Development of Pantisocracy

Over the course of the last century, the age of colonialism and imperialism has been drawing to a close. The world is moving on from hegemonistic times, and is embracing a period of win-win cooperation. Looking back we can recall the painful experience and huge human cost of previous years, and now we face important choices regarding the future development of humankind. With regard to this issue, the 19th Party Congress noted that: “As human beings, we have many common challenges to face No country can address alone the many challenges facing mankind; no country can afford to retreat into self-isolation.” China has walked onto the world stage and is participating in global governance in all areas. It will continue its efforts to safeguard world peace, contribute to global development, and uphold international order.¹² China is willing to work with countries around the world as well as international organizations and institutions to jointly promote the development of a community with a shared future for humankind, namely by championing, promoting, and guiding the “pantisocracy.”

By “championing” we mean that China is stepping boldly out from the shadow of “deglobalization” to actively champion a new form of equal, open, cooperative, and shared globalization. Thus, China will ensure that all countries have equal rights, equal opportunities, and equal regulations in international economic cooperation on the basis of equality. China will also do all it can to prevent governance seclusion and regulation fragmentation, avoid exclusive development, and embrace openness.

¹²Jinping (2017).

We will also jointly discuss regulations, build mechanisms, and meet challenges with cooperation as a driving force. China will champion the participation of everyone, with universal benefit and sharing as the main goal.¹³ We will jointly develop a community of interests, fate, and responsibility with political mutual trust, economic integration, and cultural inclusiveness. This will be achieved by “jointly discussing, developing, and jointly sharing” with those countries involved in the Belt and Road initiative.

China’s efforts in “promotion” mean equality, mutual benefit, and win-win international cooperation. China will provide real development opportunities for countries around the world to jointly improve human wellbeing. We always welcome other countries to take the “fast ride” and “ride sharing” in our development, and we are willing to share our dividends and progress with those countries. In addition, China will continue to strengthen its assistance in international development, and to provide more employment opportunities and technical support through cooperation. Thus, more developing countries will be involved in the labor division of the world economy to further promote the expansion of global development integration.

By “guiding” we mean that China is playing an increasingly important role in leading international affairs. As China promotes international dialogue, it will strengthen cooperation with various countries in the realms of politics, economy, trade, science and technology, energy, and environmental governance, and will promote the formulation of various cooperation treaties. China will jointly maintain the balance of international order and the stability of the security pattern, and promote economic openness and inclusiveness. China will also work to ensure cultural prosperity and diversity, and the sustainable development of the ecosystem. In addition, China will play a more important role in international organizations, and promote the construction of a new and improved global governance mechanism in which emerging and developing countries will have greater opportunities to participate in global affairs.

As a result of China’s continuous economic development and economic take-off in southern countries, less developed countries will accelerate their catch-up with northern countries. Thus, the great divergence between the economic levels of southern and northern countries will cease to exist. Convergence will be followed by the reversal of southern and northern patterns. Southern countries will dictate economic, trade, and investment patterns, ending two centuries of domination by northern countries. The human development levels of southern and northern countries will continue to converge, and all countries are likely to enter a stage of high human development. Populations that have been living in absolute poverty for the past two centuries will be lifted out of poverty. In the first step, completed in 2015, the world successfully achieved the “millennium development goals” (MDG) put forward by the international community, and the rate of poverty in developing countries decreased from 43.6% in 1990 to 13.4% in 2015. China’s contribution to this

¹³Xi Jinping’s keynote speech at the opening ceremony of the G20 Summit: *A New Blueprint for Global Economic Growth, A New Starting Point for China’s Development*. Xinhua News Agency, Hangzhou, Sep. 3, 2016.

decrease was as high as 75%.¹⁴ In the second step, from now to 2030, the first core “sustainable development goal” put forward by the international community is “to eliminate all forms of poverty around the world.” China will achieve this goal in 2020, 10 years ahead of schedule. The world will move towards common prosperity.

By 2050, China will realize socialist modernization in all respects, and embrace the great rejuvenation of the Chinese nation. This rejuvenation will be based on a solid foundation, a 5000-year history of civilization that underpins China's present and future success. China has been a force in the past, is even stronger in the present, and will remain so in the future. Because of its solid foundation, China will continue, and it will grow forever.

China's achievements of civilization and rejuvenation will be unprecedented, and will result in the emergence of a new modern civilization. Chinese culture is the core component of the great rejuvenation of the Chinese nation; it is the source of thought and intellectual impetus of China's overall rejuvenation and innovative rejuvenation. It will have an immeasurable influence on both Chinese and world history, and it will create a new peak in the history of world civilization.

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¹⁴World Bank Group, *World Development Indicators 2015*, p. 2, World Bank Group.

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Chapter 7

Conclusion: The Mission of the Communist Party of China



In 1962, Comrade Mao Zedong pointed out that “it took Western countries more than three hundred years to develop a great capitalist economy.” He predicted that “it will take China 50 to 100 years to develop a strong socialist economy.”¹

It now appears that we will achieve our goal to complete the building of a moderately prosperous society in all respects by 2021, the year the Communist Party of China celebrates its centenary. By the 100th anniversary of the establishment of the PRC, we will have achieved our goal of building China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

After 2050, China will enter the intermediate stage of socialist development. The development theme will change from “common prosperity” to “common development,” with two main historical missions: (1) to turn China into a highly developed great modern socialist country (i.e. the third centenary goal) by 2078, the centenary of China’s reform and opening up; and (2) to realize the great rejuvenation of the Chinese nation by the end of the century.

China’s third centenary goal can be described as a shift from “achieving common development” to “becoming highly developed.” The overarching objective is to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful in all respects, so as to lay a solid foundation with higher standards to enable the great rejuvenation of the Chinese nation.

Thus, China will become a great modern socialist country that is highly developed, democratic, culturally advanced, harmonious, and eco-friendly, and that makes great contributions to human development.

The Communist Party of China shoulders a historical mission: Since the founding of the People’s Republic of China, it has developed from implementing industrialization to building an independent and complete industrial system and national economy. The Party has also eliminated absolute poverty and now meets the basic needs of the

¹Collected Works of Mao Zedong (1999).

people. It has moved on from achieving moderate prosperity to building a moderately prosperous society in all respects. From now until the end of the century, China will progress from building a society of common prosperity in all areas to realizing socialist modernization. Similarly, it will advance from a situation of common prosperity to one of achieving common development, and from realizing advanced socialist modernization to finally enjoying the great rejuvenation of the Chinese nation.

One outcome of China's historical mission has been the creation of the Communist Party of China. The past, present, and plans for the future all show that the Party's historical mission is China's mission. The historical mission of the Party is its responsibility for China, turning China into a great modern socialist country and achieving common prosperity. Similarly, the Party's historical mission is the mission of humankind; it has a responsibility to humankind in making great contributions to world peace and human development. These are the "four major responsibilities," the "four major missions," and the "four major contributions" of the Communist Party of China.

China's history and future, its people, and China itself choose the Communist Party of China. Without the Party, there would be no People's Republic of China, no great China, no common prosperity, no highly modernized China, and no great rejuvenation of the Chinese nation.

Reference

Collected Works of Mao Zedong (1999) People's Publishing House, vol 8, p 302

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Appendix A

Predictions of China's Economic Growth (2015–2050)

Global Economic Growth Model and Predictions of China's Employment, Capital, and Total Factor Productivity

Based on the global economic growth model of Kohli, Szyf, and Arnold (2012), this paper will predict China's GDP growth rate and its total GDP for 2030 and 2050. We will compare these values with the total GDP of the United States and the world. Assume that the returns to scale of the production function remain unchanged, that is,

$$GDP = TFP * K^{\alpha} * L^{(1-\alpha)}, \quad (A.1)$$

where GDP is based on 2015 PPP values, TFP is total factor productivity, K is the capital stock, and L is the total labor force. According to the results calculated by most Chinese researchers, the output elasticity α of capital is 0.55, and the output elasticity of labor force is 0.45. According to Eq. (A.1), total GDP can be predicted after the TFP, capital stock, and total labor force are predicted.

First, a change in China's labor force in 2015–2050 is predicted. In the global economic growth model, the labor force participation rate can be predicted based on the following equation:

$$\ln P_t = a \times \ln P_{t-1}, \quad (A.2)$$

where P_t is the labor force participation rate of the t -th year, P_{t-1} is the labor participation rate of the $(t-1)$ -th year, and a is constant.

Here, the labor force participation rate of China's total population is the ratio of total employment to the total population. This is different from the labor force participation rate calculated as the working age population. We look at how to create employment opportunities, and predict the future labor force participation rate and total employment.

Table A.1 Predictions for China’s labor force participation rate and working population (2015–2050)

Year	Total population (100 million)	Employment participation rate (%)	Employed population (100 million)	Average no. of schooling years of working age population (year)
2015	13.75	56.34	7.75	10.23
2020	14.17	56.70	8.03	10.8
2030	14.51	56.91	8.26	11.7
2040	14.25	56.94	8.11	12.4
2050	13.88	56.95	7.90	12.8

Data sources: total population data are provided by the National Health and Family Planning Commission of China; labor force participation and working population rates are predicted by the authors; the average no. of schooling years of China’s working age population in 2015 and 2020 are provided by the Outline of the 13th Five-Year Plan; and rates for 2030 and 2050 are estimated by the authors

We calculate the employment rate of China’s total population for 1995–2015 based on the figures for total population and total employment announced by the National Bureau of Statistics. The results show that China’s labor force participation rate in this period is quite high and relatively stable (56%), and that China has the highest labor force participation rate per total population in the world. This is related not only to China’s rapid economic growth, **but also to the high number of women in the labor force. In 2014, the proportion of female employees in the total employment rate was as high as 45%.**¹ This is one of the highest in the world; only a small number of countries have similar levels (Tables A.1 and A.2).

Based on Eq. (A.2), along with Chinese population data provided by the National Health and Family Planning Commission of China, we can predict China’s total population and labor force participation rate for 2015–2050 (see Table A.3). Between 2015 and 2050, China’s labor force participation rate will remain at a high level (more than 56%), that is, more than half of China’s total population will be employed, so as to make better use of China’s superior resource: human resources. The number of employees will peak at about 826 million by 2030, and then decrease to approximately 790 million by 2050. Importantly, the labor force participation rate will remain stable at a high level, and will reach 56.95% by 2050. China will maintain a high level of labor force because: (1) the labor force participation rate of women is high; (2) China’s life expectancy will be at least 77 years by 2020 and 79 years by 2030 (China already has the necessary conditions for implementing the postponed retirement policy); and (3) a more flexible retirement system may be implemented for entrepreneurs or legal persons of non-public institutions such as private enterprises and self-employed businesses.

In addition, the average number of schooling years of China’s working age population shows an upward trend. Thus, education and human resource dividends are

¹Information Office of the State Council (2016).

Table A.2 Predictions for China's capital stock (2015–2050)

Year		Annual average growth rate of capital (%)	Capital stock (USD 100 million)
2015			550,782.4
2015–2020	High plan	10	887,040.6
	Intermediate plan	9.50	867,063
2020–2030	High plan	8.00	1,915,054
	Intermediate plan	7.00	1,705,644.1
2030–2040	High plan	6.00	3,429,570.0
	Intermediate plan	5.00	2,778,314.5
2040–2050	High plan	4.00	5,076,601.5
	Intermediate plan	3.00	3,733,822.4

(PPP, 2011 international dollar)

Note The capital stock value is the value of the previous year

Table A.3 Annual average GDP growth rates for China, the United States, and the world (2015–2050)

Period	China	U.S	World
2015–2020	6.85–7.32	2.0	3.5
2020–2030	5.28–6.03	2.0	2.5
2030–2050	3.40–4.15	1.5	2.5

Unit: %

Note 1990–2015 data are derived from the World Bank Database; 2015–2050 data are calculated according to the global growth model, where the upper and lower limits of Chinese data represent the high growth rate plan and the intermediate growth rate plan, respectively

constantly distributed. The Outline of the 13th Five-Year Plan states that China intends to increase the average number of schooling years of its working age population from 10.23 years (2015) to 10.8 years (2020). Once China introduces universal secondary education, improves the gross enrollment ratio of higher education, and vigorously develops continued education, it is expected that the average number of schooling years of China's working age population will reach 12.8 years by 2050 (see Table A.1), equivalent to the 2014 US rate of 12.9 years.²

The growth in capital stock is predicted based on the initial capital stock, annual investment rate and depreciation, and is defined as

$$\text{Kgrowth} = \frac{K_t}{K_{t-1}} - 1 = \frac{I_{t-1}}{K_{t-1}} - 0.06, \quad (\text{A.3})$$

²United Nations Development Programme: *Human Development Report 2015*, Table A.1, published and issued by United Nations Development Programme in 2015.

where K is the capital stock, 0.06 is the annual depreciation rate of capital at 6%, and $I_{(t-1)}$ is the capital investment of the previous year. The initial capital stock is calculated using the method shown in Kharas (2010):

$$K_0 = \frac{I_0}{g + 0.06}, \quad (\text{A.4})$$

where K_0 is the initial capital stock, g is the average GDP growth in the last 10 years, and I_0 is the investment volume in the first year. Using Eqs. (A.3) and (A.4), we can predict the annual average growth rate of China's capital in 2015–2050. First, based on historical data, in 2015 China's capital stock was USD 55.07824 trillion. Second, the annual average growth rate of China's capital in 2015–2050 is forecast using a high growth rate plan and an intermediate growth rate plan. As can be seen from the results shown in Table A.2, **China's capital stock will reach USD 373.38224 trillion by 2050, 6.8 times higher than the 2015 rate. The annual average growth rate of capital stock in 2015–2050 is 5.6%. Because China has maintained a relatively high rate of savings over a long period of time, an annual average growth rate of 5.6% for capital stock should be maintained over the next 35 years.**

Finally, China's TFP is determined. According to Kharas (2010), the annual growth rates in TFP of all countries start at 1.3% by default. As seen in Gill et al. (2007), Jones (2002), and Kharas (2010), countries can be divided into four types. The first type comprises developed countries. The second type includes those countries that have enjoyed a rapid increase in per capita income in the last 20 years, thus showing a development trend towards convergence with developed countries. The third type comprises low-income countries, while the fourth type is made up of vulnerable countries. Relative to developed economic entities, the lower the productivity level of a country in the second group, the faster the convergence rate. We show TFP growth using the following equation:

$$\text{TFPgrowth} = 1.3\% + \text{CB} - \text{FP}, \quad (\text{A.5})$$

where CB represents convergent growth benefiting the second type of countries, and FP is a failure-derived factor inhibiting productivity improvement. Convergent growth is defined as follows:

$$\text{CB} = c \times 2.33\% \times \ln\left(\frac{\text{TFP}_{\text{USA}, t-1}}{\text{TFP}_{i, t-1}}\right), \quad (\text{A.6})$$

where 2.33% is a convergence parameter derived from historical data, and C has a value between 0 and 1 (1 for a fast developing country and 0 for a vulnerable country). Because China is a fast developing country, C can be set to 1. Over the last three decades, China has enjoyed many successes in terms of economic development, and

Table A.4 Annual average growth rates of per capita GDP for China, the United States, and the world (2015–2050)

Period	China	U.S	World
2015–2020	6.15–6.61	1.5	2.3
2020–2030	4.80–6.01	1.5	2.3
2030–2050	3.15–4.87	1.1	2.0

Unit: %
Note 1990–2015 data are derived from the World Bank Database; 2015–2050 data are calculated according to the global growth model, where the upper and lower limits of Chinese data represent the high growth rate plan and the intermediate growth rate plan, respectively

has made clear progress in S&T. China remains one of the largest developing countries, yet is still some distance behind the United States in terms of S&T development. Therefore, we consider that the CB value of China should be about 0.3%.

The failure state factor FP is defined as follows:

$$FP = f \times 1.8\% ,$$

(A.7)

where f has a value between 0 and 1 (1 if the country is a vulnerable country and 0 if it is a developed country). Because China is classified as a developed country, we consider that f should range from 0 to 0.5. If it is 17%, then China’s TFP should be 1.3%. It is expected that the annual average growth rate of China’s TFP will be 1.3%–1.5% in 2015–2050.

**China’s Long-Term Economic Development Trend
(2015–2050)**

Predictions for China’s GDP in 2015–2050 include predictions for the annual average growth rates of China’s GDP under the high growth rate plan, GDP under the intermediate growth rate plan, and per capita GDP (see Tables A.3 and A.4), where **the intermediate growth rate plan is the baseline plan (TFP growth rate: 1.3%) and the high growth rate plan is the ultimate goal (TFP growth rate: 1.5%)**. China’s actual results will not only exceed the intermediate growth rate plan, but they may also exceed the high growth rate plan, depending on the actual growth rate of TFP in the future.

We now analyze the calculated results based on the intermediate plan (see Tables A.5 and A.6). It is expected that in 2015–2050, according to the 2011 international dollar, the annual average growth rate of China’s GDP will be 4.42%, which is 1.52% higher than the world’s average growth rate (2.90%), and 2.71% higher than the annual average growth rate of the United States (1.71%). The annual average growth rate of China’s per capita GDP is 4.38%. Thus, it is 2.25% higher than world’s

Table A.5 GDP of China, the United States, and the world (2015–2050) (Intermediate growth rate plan)

Year	China (USD 100 million)	U.S. (USD 100 million)	World (USD 100 million)	China/U.S. (%)	China/World (%)
2015	186,097.7	169,401.2	1,077,980	109.86	17.26
2020	259,187.3	187,032.6	1,280,302.1	138.58	20.24
2030	433,583.2	227,991.7	1,687,499.3	190.17	25.69
2040	639,960.0	264,593.7	2,224,204.7	241.87	28.77
2050	845,962.7	307,071.8	2,931,608	275.49	28.86
2015–2030 annual average growth rate	5.8	2.00	3.03		
2030–2050 annual average growth rate	3.4	1.50	2.80		
2015–2050 annual average growth rate	4.42	1.71	2.90		
2015–2030 contribution rate	40.6	9.61			
2030–2050 contribution rate	33.1	6.36			
2015–2050 contribution rate	35.6	7.43			

(PPP, 2011 international dollar)

Note Assume that the annual average growth rate of US GDP will remain at 2.0% before 2030 and 1.5% for 2030–2050. The annual average growth rate of the world's GDP will be 3.5% before 2020 and 2.5% after 2020

average growth rate (2.13%) and 2.95% higher than the annual average growth rate of the United States (1.43%).

These predictions indicate that China will enter a stage of medium–high growth with an annual average growth rate of GDP of 5.8%. Furthermore, China will enter a period of stable growth after 2030 with an annual average growth rate for GDP of 3.4%. The relative gap between the per capita GDP of China and the United States will reduce further. The catch-up effect will also be reduced, which is directly reflected in the slight decrease in the per capita GDP growth rate. However, the catch-up coefficient relative to the United States will be significantly enhanced. From the perspective of economic structure, the transformation from an industry-oriented economy to a service industry-oriented economy will also result in a slight decrease

Table A.6 Per capita GDP of China, the United States, and the world (2015–2050) (Intermediate growth rate plan)

Year	China (USD)	U.S. (USD)	World (USD)	China/U.S. (%)	China/World (%)
2015	13,571.7	52,704.2	14,673.1	25.75	92.49
2020	18,291.3	57,057.6	16,439.9	32.06	111.26
2030	29,881.7	66,873	20,637.5	44.68	144.79
2040	44,909.5	76,093.1	25,157	59.02	178.52
2050	60,948.3	86,584.4	30,666.2	70.39	198.75
2015–2030 annual average growth rate	5.40	1.60	2.30		
2030–2050 annual average growth rate	3.63	1.30	2.00		
2015–2050 annual average growth rate	4.38	1.43	2.13		

(PPP, 2011 international dollar)

Note The annual average growth rate of the per capita GDP of the United States will be 1.5% before 2030 and decrease to 1.1% for 2030–2050. The annual average growth rate of the world's per capita GDP will remain at 2.30% (i.e., the average of the rates for 1990–2015) before 2030 and decrease to 2.0% in 2030–2050

in the overall economic growth rate, but China's economic stability and maturity will be increasingly higher.

There are three important timeframes from now until 2050.

First, by 2020, China's total GDP will reach USD 25.92 trillion, accounting for 20.24% of the world's total GDP. Furthermore, its per capita GDP will reach USD 18,291, equivalent to 111% of the world level or 32% of that of the United States.

Second, by 2030, China's total GDP will reach USD 43.36 trillion, accounting for 25.69% of the world's total GDP. China's per capita GDP will reach USD 29,882, equivalent to 159% of the world level or 49% of that of the United States.

Third, by 2050, China's total GDP will be USD 84.60 trillion, accounting for 28.86% of the world's total GDP and equal to USD 60,948 per capita. This is equivalent to 199% of the world level or 70% of that of the United States. Thus, China will be reaching moderately developed levels.

Table A.7 GDP of China, the United States, and the world (2015–2050) (High growth rate plan)

Year	China (USD 100 million)	U.S. (USD 100 million)	World (USD 100 million)	China/U.S. (%)	China/World (%)
2015	186,097.7	169,401.2	1,077,980	109.86	17.26
2020	264,938	187,032.6	1,280,302.1	141.65	20.69
2030	475,808.2	227,991.7	1,687,499.3	208.70	28.20
2040	754,619.9	264,593.7	2,224,204.7	285.20	33.93
2050	1,072,722.4	307,071.8	2,931,608	349.34	36.59
2015–2030 annual average growth rate	6.46	2.00	3.03		
2030–2050 annual average growth rate	4.15	1.50	2.80		
2015–2050 annual average growth rate	5.13	1.71	2.90		
2015–2030 contribution rate	47.53	9.61			
2030–2050 contribution rate	47.98	6.36			
2015–2050 contribution rate	47.83	7.43			

(PPP, 2011 international dollar)

Predictions based on the high growth rate plan (see Tables A.7 and A.8) show that by 2040, China's GDP will be 2.8 times that of the United States, and will represent 33% of the world's total GDP. By 2050, China's GDP will be equivalent to 3.5 times that of the United States, and will occupy more than 33% of the world's total GDP. It will also be relatively stable. Furthermore, China's per capita GDP will be 70% of the US level by 2040, totaling more than 80% by 2050.

Table A.8 Per Capita GDP of China, the United States, and the world (2015–2050) (High growth rate plan)

Year	China (USD)	U.S. (USD)	World (USD)	China/U.S. (%)	China/World (%)
2015	13,571.7	52,704.2	14,673.1	25.75	92.49
2020	18,697.1	57,057.6	16,439.9	32.77	113.73
2030	32,791.7	66,873	20,637.5	49.04	158.89
2040	52,955.8	76,093.1	25,157	69.59	210.50
2050	77,285.5	86,584.4	30,666.2	89.26	252.02
2015–2030 annual average growth rate	6.06	1.60	2.30		
2030–2050 annual average growth rate	4.38	1.30	2.00		
2015–2050 annual average growth rate	5.10	1.43	2.13		

(PPP, 2011 international dollar)

Postscript³

Thirty years ago I was a doctoral student at the Institute of Automation at the Chinese Academy of Sciences. I attended the academy's National Conditions Research Analysis Group, where I undertook research about China's national conditions and its long-term development strategy under the instruction of Zhou Lisan.

In 1987, the 13th Party Congress first proposed the three-strategy approach regarding the construction of China's national economy. First, China would double the 1980 GNP and meet the basic needs of the people. Second, by the end of that century, the GDP would double again and the people would be living in moderate prosperity. Lastly, by the middle of the twenty-first century, it is predicted that China's per capita GNP will reach the level of moderately developed countries, its people will enjoy high living standards, modernization will be realized, and on this basis, China will move forward.⁴

Comrade Deng Xiaoping was not only the chief designer of China's reform and its opening, but also the chief designer of China's socialist modernization.⁵ His approach was oriented to the future, to the world, and to modernization. He was the first Chinese leader oriented as a "citizen of the world."⁶

At that time, Deng had an extremely important influence on me, and I made efforts to investigate the historical evolution of China's industrialization and modernization and the modern economic development process in the study of national conditions. I regard China's development as a "protracted war" of modernization, one that can be divided into three stages: (1) preparation for modern economic development (1950–1980), or accumulation for economic take-off; (2) a period of high modern economic growth (1980–2020), where we transitioned from a low-income level to a moderate

³This postscript was completed on Dec. 23, 2017.

⁴Zhao (1987). Again, if these works are in Chinese you need to provide the pinyin.

⁵The report of the 14th Party Congress named Deng Xiaoping "the chief designer of China's socialist reform, opening up and modernization." Jiang (1992).

⁶In December 1984, Deng Xiaoping said he would "become a citizen of the world as a member of the Chinese nation" in the preface of an English version of *Collected Works of Deng Xiaoping* (Pergamon Press Ltd, 1984). *Chronicle of Deng Xiaoping's Life (1975–1997)* (2004).

level, accelerated the industrialization process, rapidly expanded the economic aggregate, significantly changed the economic structure with profound social changes, and implemented considerable changes to the institutional. We will also further form and develop the new pattern of opening up to the outside world and keep closer economic ties with the world. This stage is not only a stage of modern economic take-off, but also the key stage of the revitalization of the Chinese nation; and (3) the stage of stable modern economic growth (2020–2050), where the GNP will grow steadily at a rate of 4%–5%.⁷ At that time, it was very hard to imagine that China could join the ranks of other advanced countries.

Since then I have been monitoring China's medium- and long-term economic development, and have continuously researched China in 2020. I have also successfully published many works: *2020 China: Building a Moderately Prosperous Society in all Respects* (Tsinghua University Press, 2007), *2020 China: Turning itself into a Moderately Prosperous Society in All Respects* (Tsinghua University Press, 2012), and *Secure a Decisive Victory in Realizing Centenary Goals* (Zhejiang People's Publishing House, 2013). In 2011, I was involved in research on the trajectory for China in 2030, and wrote *2030 China: Develop Towards Common Prosperity* (China Renmin University Press, 2011) with Yan YiLong and Wei Xing. This included research on the world in 2030, and I highlighted the significant development enjoyed by southern countries, the great convergence of southern and northern countries, and the great reversion of southern and northern patterns. I also discovered considerable changes in global governance and innovatively put forward the "pantisocracy" of common prosperity to be created by all the world's people!

As a doctoral student, I did not think that 30 years later I would be the first to lead the Institute for Contemporary China Studies at Tsinghua University to study China in 2050. Deng Xiaoping left us a vast amount of political wealth. At a meeting with foreign guests, he made the following comment about the three strategic approaches, "If we achieve common prosperity with a per capita GNP of USD 4000, then we can better show that the socialist system is superior to the capitalist system, point out the direction for a quarter of the world's population, and further prove the correctness of Marxism."⁸

As descendants, we not only continue to learn from the books of great men, but also communicate with great men to constantly validate their predictions. In fact, the development achievements of China exceeded the plan of Comrade Deng Xiaoping (per capita GNP of USD 4000). However, the plan of common prosperity has not yet been realized. This will become China's next core development objective.

Here, we analyze the future development trend of China, adopting two complementary analysis methods: (1) one is based on strategic foresight and insight into general development trends, clarifying the development direction, formulating development objectives, and establishing development steps; and (2) provide quantitative analysis for strategic foresight through professional prediction. Foresight without prediction can only be empty foresight, and prediction without foresight can only be

⁷ AnGang (1991).

⁸ *Collected Works of Deng Xiaoping*, Vol. 3, People's Publishing House, pp. 195–196.

dry data. Strategic foresight is the way of governance, and future prediction is the art of governance. Yet again, we make bold attempts in this direction.

The greatest political event in China in 2017 was the convening of the 19th Party Congress. We have been studying 2050 China since 2016, and have successively published many *Report of National Conditions* and academic articles, as well as analyzing China's great development trend towards 2050 from a more specialized and comprehensive perspective. We have also put forward the overarching objective and strategic steps to achieve socialist modernization in all respects by 2050, as discussed in *2050 China: Realizing Socialist Modernization in all Respects*. The 2050 objective (a total of 60 words) put forward in the report delivered to the 13th Party Congress, a "think tank version" of the grand blueprint and route map of more than 90,000 words. The CPC Central Committee bases its decisions upon this report.

After the 19th Party Congress was held, we fully assimilated the report's core concept and strategic plan through further in-depth study and system analysis. Notably, we divided the time period from 2020 to the middle of the twenty-first century into two stages, and boldly presented various prospects and quantitatively analyzed the trends regarding the major strategic goals. These goals included whether China could achieve socialist modernization by 2035 (i.e. 15 years ahead of schedule), and whether China can turn itself into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful by 2050. We also gained a better understand and carefully considered both the integrated and strategic plans to realize the second centenary goal and modernization.

As the think tank of universities, the Institute for Contemporary China Studies at Tsinghua University insists on the idea of "worrying about what China is worrying about, thinking about what China is thinking about, and thinking about what China is not thinking about." It is also oriented to observing national development, to stand higher, see farther, and to look deeper into predicting what China will be like in 2050 China. The study itself is a challenging subject; it has predictable factors but a higher number of unpredictable factors regarding development trends and the overall situation of future development. It offers final predictions but also provides some leeway. Furthermore, it grasps opportunities but also meets challenges, while considering the overall situation and distinguishing between primary and secondary issues. It is not only full of confidence, but it is also aware of unexpected development.

The whole book is arranged and developed around the theme of "2050 China," and includes seven main innovations:

First, this book further analyzes the factors and advantages of the Chinese road to socialist modernization. These include the five major factors (modernization, socialism, Chinese culture, green ecology, and Party leadership) and the five major advantages (late starter advantage, socialism, Chinese culture, green ecology, and Party leadership). This book analyzes and summarizes the historical process of socialist modernization over a period of nearly 70 years, which is summarized as 10 major transformations. Thus, we see a transformation from quantitative change to partial qualitative change, and then from quantitative change to qualitative change.

Second, this book explores and summarizes the development goal and the basic logic of the socialist modernization of China, and further reflects the principles of “people-centered” development and “well-rounded human development and all-round social progress” in the evolution and transformation from the “economic construction-centered” principle to the “people-centered” principle. Similarly, we can see an evolution and transformation from “material modernization” to “human modernization,” and again from “economic modernization” to “well-rounded modernization.” China has also transitioned from “development is the absolute principle” to “six major developments”.

Third, this book further shows the general basis of the primary stage of socialism. It divides the stage into two halves and several interrelated development stages, and reflects the historical logic and the future trends of the socialist modernization of China. This book analyzes the history and trends of the five basic characteristics of socialism with Chinese characteristics in the new era, and further explores four prominent transformations of the main social contradictions, which have a great impact on the development concept, goal, plan, strategy, and steps.

Fourth, according to the report delivered at the 19th Party Congress, and according to the “two-stage” strategic plan, this book looks ahead in detail to the overarching objective and sub-objectives of essentially achieving socialist modernization by 2035. It also creatively proposes the overarching objective and six major objectives of realizing socialist modernization in all respects by 2050.

Fifth, according to the report delivered at the 19th Party Congress, this book discusses the building of a great modern socialist country in all respects from the perspective of the Party’s six-sphere integrated plan of economic, political, cultural, social, ecological civilization, and national defense construction, and provides policy proposals.

Sixth, this book analyzes the influence and the effect of the socialist modernization with Chinese characteristics on the world, including four major trends (great development, great convergence, great reversion, and great reform) and five major contributions to human development (contributions to economic development, science and technology innovation, green ecology, cultural advancement, and development knowledge), and further presents the “pantisocracy” of common prosperity to be built by the people of world together.

Seventh, this book further presents the third centenary goal, that is, the completion of a great modern socialist country that is highly developed, democratic, culturally advanced, harmonious, and beautiful in all respects by 2078, and speaks highly of the four historical missions of the Communist Party of China.

In conclusion, this book is an elaboration of the work of the Institute for Contemporary China Studies. It reflects the intellectual innovation in our research on contemporary China, as well as our foresight and predictions about China’s future development. This book was written by Hu Angang, Yan Yilong, Tang Xiao, and Liu Shenglong. Liu Shenglong was responsible for calculating and forecasting China’s economic growth trends (2015–2050) (see Appendix A). Wang Hongchuan calculated and forecast China’s HDI trends (2015–2050), and Shi Zhidan calculated the HDIs of 31 provinces, cities, and regions around China (1982–2030) (see Appendix

2). This book includes a number of important research achievements of the Institute for Contemporary China Studies at Tsinghua University. Many teachers, postdoctoral fellows, doctoral students, and master's students have provided important advice in the revision of this book.

More than 30 years later, it might be very hard for me to personally validate the realization of this objective. Therefore, we have formed a research echelon composed of the old, the middle aged, and the young to continue the studies, and shall further keep pace with the times based on continuous innovations to contribute to decisions and knowledge to realize the second centenary goal!

Hu Angang

December 2017

Tsinghua University

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