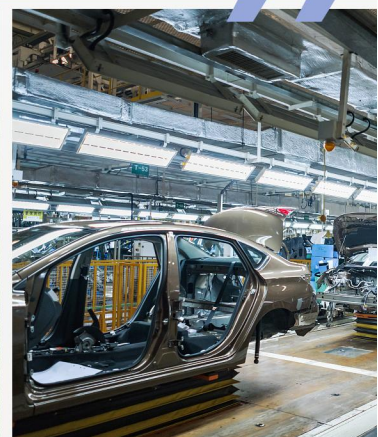


KEYWORDS TO UNDERSTAND

# THE CHINESE PATH TO MODERNIZATION



# **Keywords to Understand the Chinese Path to Modernization**

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### Introduction

Over the past 100 years since it was founded in 1921, the Communist Party of China (CPC) has united the Chinese people and led them in building China into a socialist modern country. It has applied the basic tenets of Marxism to China's national conditions and traditional culture, and opened a path to modernization with distinctive Chinese features.

Speaking at the ceremony marking the 100th anniversary of the CPC held in July 2021, President Xi said, "As we have upheld and developed socialism with Chinese characteristics and driven coordinated progress in material, political, cultural-ethical, social, and ecological terms, we have pioneered a new and uniquely Chinese path to modernization, and created a new model for human progress."<sup>1</sup>

What is "a new and uniquely Chinese path to modernization"? China's modernization will be shared by a large population, and features common prosperity of all its people, coordinated material and cultural-ethical progress, harmony between humanity and nature, and peaceful development.

China's path shares some common characteristics with the process of modernization in other countries; it is also suited to China's national conditions. It reflects the laws governing human progress and socialist construction, and is a new model for human development. It provides an alternative to the Western model of modernization, expands the channels for developing countries to achieve modernization, and offers a Chinese approach to human progress.

Based on a study of history, comparisons, typical cases and relevant statistics, this report interprets the key concepts and philosophy and the core implication and main features of the Chinese path to modernization, to help the international community better understand the path.

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<sup>1</sup> Xi Jinping's speech at the ceremony marking the centenary of the CPC, July 1, 2021.

## I. The Chinese Path to Modernization: Shared by a Large Population

A hard fact about China is its large population. This has a significant bearing on the Chinese path to modernization. According to the seventh national census, the mainland population had surpassed 1.41 billion by November 1, 2020, accounting for 18% of the world total<sup>1</sup> and making China the world’s most populous developing country.

Modernization has never before been attempted in a developing country like China with such a large population. There is no ready-made example to follow except what China creates for itself.

Table 1. Population of China and the World (unit: billion)

Year	1950	1955	1981	1988	1995	2004	2020
China	0.55	0.614	1	1.11	1.21	1.3	1.41
World	2.525	2.758	4.5	5.1	5.735	6.432	7.75

Source: National Bureau of Statistics and World Bank

After the People’s Republic of China was founded in 1949, the CPC concentrated on national prosperity and the happiness of the people. Socialist modernization became part of this agenda. The CPC also outlined a grand vision of modernization for China’s industry, agriculture, transport, defense, science and culture. This vision was later sublimated into the goal of “four modernizations” (of industry, agriculture, defense, and science and technology), which became a driving force that propelled the whole nation forward for decades.

Since the CPC’s 18th National Congress held in 2012, the Central Committee with Xi Jinping at the core has made improving and developing socialism with Chinese characteristics and modernizing the system and capacity for governance an overall goal of comprehensive reform. The goals are first to realize basic socialist modernization by 2035, and then by the middle of this century to turn China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

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<sup>1</sup> Lu Yanan: “China remains the most populous country with 18% of world’s population,” *People’s Daily*, May 12, 2021, p2.



## **(1) Road to follow: socialism with Chinese characteristics**

At its fourth plenary session in October 2019, the 19th Central Committee announced that the CPC would neither retrace its steps to the rigidity and isolation of the past, nor take a wrong turn by changing its nature and abandoning its system, but would follow the path of socialism with Chinese characteristics. Socialism with Chinese characteristics<sup>1</sup> is the only path to socialist modernization and a better life for the people.

From a poor country at the brink of economic collapse to the world's second largest economy, China has achieved a series of unprecedented successes that fully demonstrate the unique features and strengths of the path it has chosen.

### **Following China's own road**

In the Resolution of the Central Committee of the Communist Party of China on the Major Achievements and Historical Experience of the Party over the Past Century, adopted at its sixth plenary session in November 11, 2021, the 19th CPC Central Committee pointed out, "The Party has led the people in pioneering a uniquely Chinese path to modernization, creating a new model for human progress, and expanding the channels for developing countries to achieve modernization. This has offered a new option for countries and nations who want to accelerate development while preserving their independence."

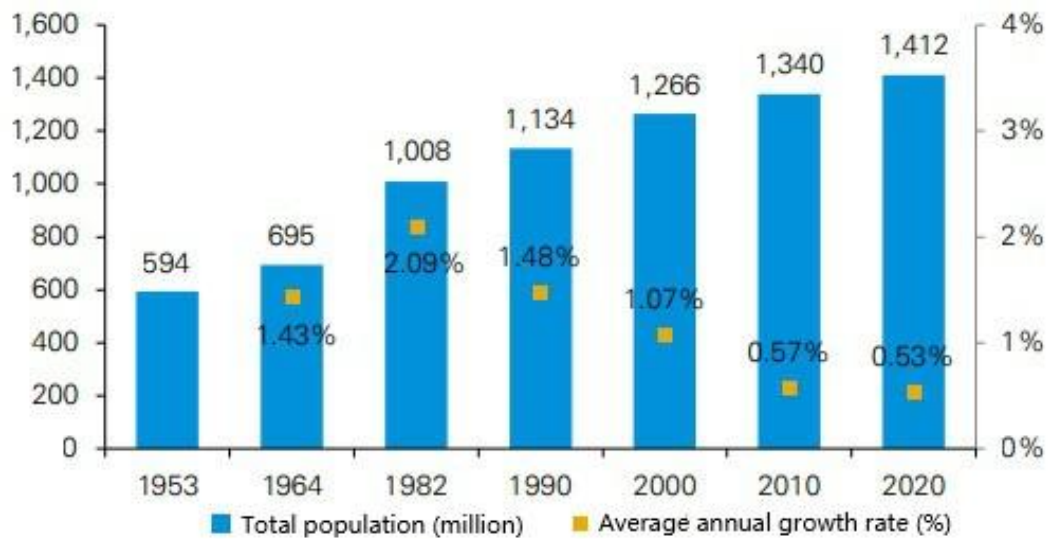
Following China's own path – this is the bedrock that underpins all the theory and practice of the CPC. More than that, it is the historical conclusion the Party has drawn from its struggles over the past century.

China's large population determines that it has to follow a path to modernization that is different from the West. It will draw on the best of other modern civilizations and observe the general laws governing modernization, while following a path of its own.

Whether this path works depends on whether it complies with China's own realities, whether it can solve the prominent problems China faces on its journey toward modernization, and whether it can satisfy the people's desire for a better life. Britain began its industrialization in the 18th century, with a population of 10 million. The US embarked on a road to modernization in the 20th century, with a population exceeding 100 million. Around the world, no more than 30 countries and regions have realized modernization, representing a population of 1 billion, or one-seventh of the world's total. Obviously, China is targeting modernization with a population surpassing the combined population of all the developed countries and regions. This is an unprecedented challenge.

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<sup>1</sup> Hu Min: "What is modernization with Chinese characteristics?" [www.china.com.cn](http://www.china.com.cn), December 12, 2019, <http://www.voc.com.cn/article/201912/201912121635138854.html>.



Source: National Bureau of Statistics, Wind, and KPMG

Figure 1. China's Censuses and Annual Population Growth

In addition to having the largest population in the world, China started its modernization on weak foundations. It is therefore the largest modernization in scale, based on an extensive imbalance, and trying to bridge the biggest gap with the developed countries. China took only a few decades to complete an industrialization process that took developed countries several hundred years, and eliminated extreme poverty, creating a middle-income population of 400 million.<sup>1</sup>

At its fifth plenary session, the 19th Central Committee of the CPC committed to achieving the long-range goal of basic socialist modernization by the year 2035. This indicates that the largest developing country will soon rank among the other modernized countries by following a distinctively Chinese path to modernization.

### **A new system to concentrate nationwide effort and resources on key national undertakings**

How can China mobilize 1.4 billion people to engage in modernization? Because it has the overall leadership of the CPC and can leverage the political strength of its socialist system to concentrate nationwide effort, mobilize all positive factors, and combine a strong will with concerted actions. In establishing an independent and relatively complete industrial and economic system, developing its atom bomb, ballistic missile, and man-made satellite, addressing major risks and challenges on the journey toward modernization, and accomplishing the arduous task of poverty alleviation, China has relied on a system of nationwide institutional support to pool all resources and coordinate national endeavors.

<sup>1</sup> National Bureau of Statistics: "China has huge consumption potential with 1.4 billion people and a 400-million middle-income population," <http://www.ce.cn/>, September 15, 2020, [http://www.ce.cn/macro/more/202009/15/t20200915\\_35746290.shtml](http://www.ce.cn/macro/more/202009/15/t20200915_35746290.shtml).

China's new system to pool the national strength on key national undertakings allows technological innovation, with government leadership and diverse participants, to make new breakthroughs in China's socialist modernization.

During the 14th Five-year Plan period (2021-2025), China will continue to pursue innovation-driven development and formulate an action plan for rejuvenation through science and technology. It will improve the new system for concentrating nationwide effort and resources on key national undertakings, while leveraging the strengths of the socialist market economy. It will encourage innovation and breakthroughs in core technologies and key areas and improve the overall efficiency of the innovation chain.

### **Socialist democracy**

In a populous country with unbalanced development, the people's interests are diversified, making it difficult to guarantee them all.

To avoid "winner-takes-all" as a result of capital dominating politics, the CPC and the people have created political systems such as the system of people's congresses, the system of multiparty cooperation and political consultation under the leadership of the CPC, the system of regional ethnic autonomy, and the system of community-level self-governance.

China's socialist democracy is the broadest, most genuine, and most effective system to safeguard the fundamental interests of the people.

As of April 2021, there were more than 2.6 million deputies to people's congresses at all levels. They were broadly representative of all ethnic groups, sectors, social strata and political parties.<sup>1</sup> All of China's 56 ethnic groups have deputies to the current 13th National People's Congress (NPC), of whom 438 (14.7%) are from ethnic minorities. Of all the NPC deputies, 742 (24.9%) are women, which is 1.5 percentage points higher than the proportion in the 12th NPC; 468 (15.7%) are workers and farmers, up by 2.3 percentage points; and 1,011 (33.9%) are CPC members or government officials, down by 0.95 percentage point.<sup>2</sup>

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<sup>1</sup> State Council Information Office: *The Communist Party of China and Human Rights Protection – A 100-Year Quest*, June 2021, <http://www.scio.gov.cn/zfbps/32832/Document/1707301/1707301.htm>.

<sup>2</sup> "Ratio of officials dropped in the composition of deputies to the 13th NPC," <http://www.cnr.cn/>, March 4, 2018, [http://news.cnr.cn/native/gd/20180304/t20180304\\_524151980.shtml](http://news.cnr.cn/native/gd/20180304/t20180304_524151980.shtml).



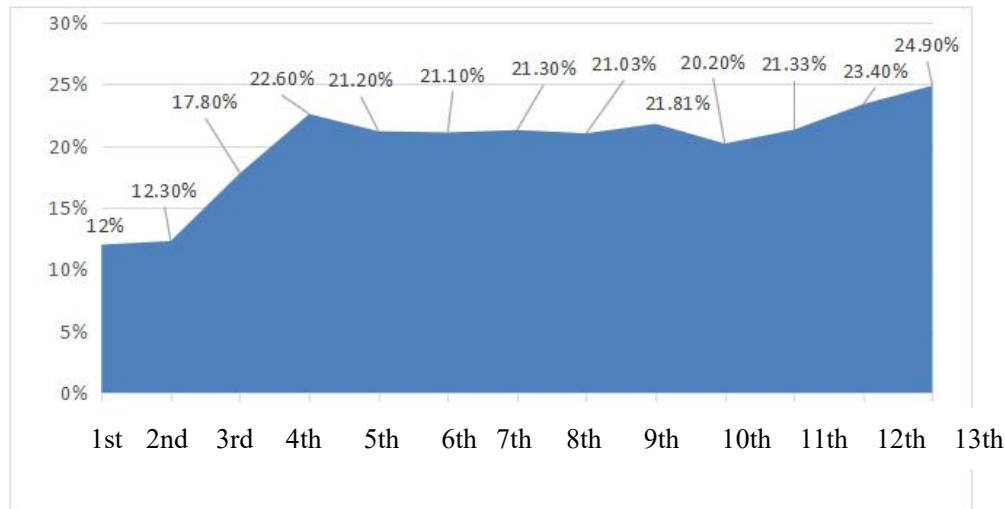


Figure 2. Proportion of Women Deputies to the NPC<sup>1</sup>

### Whole-process democracy

In the words of Xi Jinping, “People’s democracy is a whole-process democracy. All major legislative decisions are made under relevant procedures and through democratic consultation.”<sup>2</sup>

Studies in some countries have identified the phenomenon of “democratic hibernation”: The people are awakened only at election time but go into hibernation afterward and become “sleeping sovereigns.”<sup>3</sup> This is token democracy.

The democracy practiced in China is suited to its national conditions. It enables the people to participate in the whole process and thus can efficiently solve their problems.

The compilation of China’s 14th Five-year Plan serves as an example. The people were extensively consulted for their suggestions and opinions. More than 1 million public proposals were received via the websites of official news agencies such as People’s Daily, Xinhua News Agency, and China Media Group.<sup>4</sup>

Flexible and diverse means have been adopted to practice democracy, such as the Fengqiao model in maintaining public security, democratic discussions between all people involved, and meetings of prestigious villagers. These have enabled whole-process democracy to reach all people.

Whole-process democracy is procedure-based and substantive, and delivers outcomes. It is both direct and indirect, and represents the will of both the people and the state. It is true and effective democracy that reaches all of China’s people in all respects throughout the whole process.

<sup>1</sup> “Women deputies to the 13th NPC reaching 24.9 percent, a historic high,” WeChat official account of All-China Women’s Federation, February 25, 2018.

<sup>2</sup> Xi Jinping: “China’s Whole-process Democracy,” [www.people.com.cn](http://www.people.com.cn), November 3, 2019.

<sup>3</sup> Richard Tuck, *The Sleeping Sovereign: The Invention of Modern Democracy*, Cambridge University Press, 2016.

<sup>4</sup> “Xi Jinping’s instructions on soliciting public opinions about compiling the 14th Five-year Plan,” [http://www.gov.cn/xinwen/2020-09/25/content\\_5547028.htm](http://www.gov.cn/xinwen/2020-09/25/content_5547028.htm), September 25, 2020.

## **(2) Guiding principle: people-centered**

In contrast to the path adopted by the Western countries to achieve modernization, which centered on capital, realizing, safeguarding, and advancing the fundamental interests of the overwhelming majority of the people is at the core of China's approach. The key to China's modernization lies in its commitment to a people-centered development philosophy and using the full strength of its socialist system, so that it can engage all its people in a drive that will bring them a better life.

### **Development is for the people and by the people and its benefits are shared by the people.**

The people are the creators of history. They are the true heroes. The people's development is an essential element of modernizing a country. It is not a result of the process of modernization, but a precondition for the modern system and modern economy to achieve success.

The essence of modernization is the development of the people. The emphasis of service to the people is a distinctive hallmark of Marxism. The people-centered development philosophy advocates that development is for the people and by the people and its benefits are shared by the people.

Along with better education and public health, women's participation in social programs, and increased incomes, China has undergone a change from high birth rate, low death rate and high economic growth to low birth rate, low death rate and low economic growth. The population change and the educational background of the people have turned the country from one with a large population to one with a large workforce. During this process, China has passed through a favorable period with a huge working population. Together with the institutional support brought about by reform and opening up, its economy has boomed.

Since China began its reform and opening up in late 1978, its economy has maintained an average annual growth rate of nearly 10%, which is unprecedented in major economies.<sup>1</sup> Its economic aggregate exceeded 114 trillion yuan in 2021, accounting for over 18% of the world's economy; and its per capita GDP surpassed US\$12,000, surpassing the world's average.

More than 770 million of China's rural population have emerged from poverty according to the World Bank's definition, accounting for more than 70% of the global total over the same period.<sup>2</sup> China has made an outstanding contribution to the global effort to achieve sustainable development in the fields of poverty reduction, primary education, nutrition, sanitation improvement, and lowering maternal and infant mortality and incidence of HIV.

According to the UNDP Human Development Report, China was still one of the

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<sup>1</sup> World Bank: public data, <https://data.worldbank.org/>

<sup>2</sup> National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2020.

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countries with a low level of human development in 1990. It entered the moderate development group in 1996, and ranked among the high development countries by 2011. China's human development index increased from 0.499 in 1990 to 0.761 in 2019. It was the only country that had leapt from low development to high development since the UNDP began to track the human development index in 1990.<sup>1</sup>

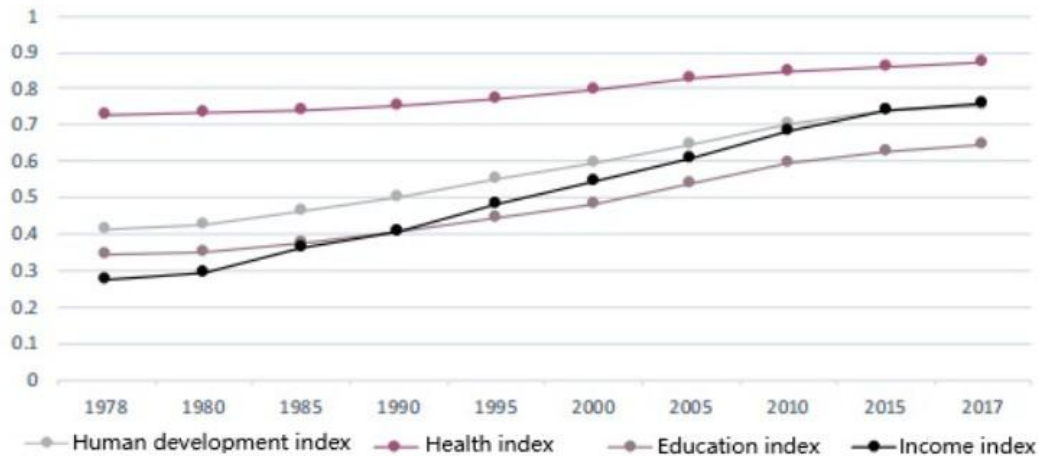


Figure 3. China's Human Development Index Scores and Relevant Indicators (1978-2017)<sup>2</sup>

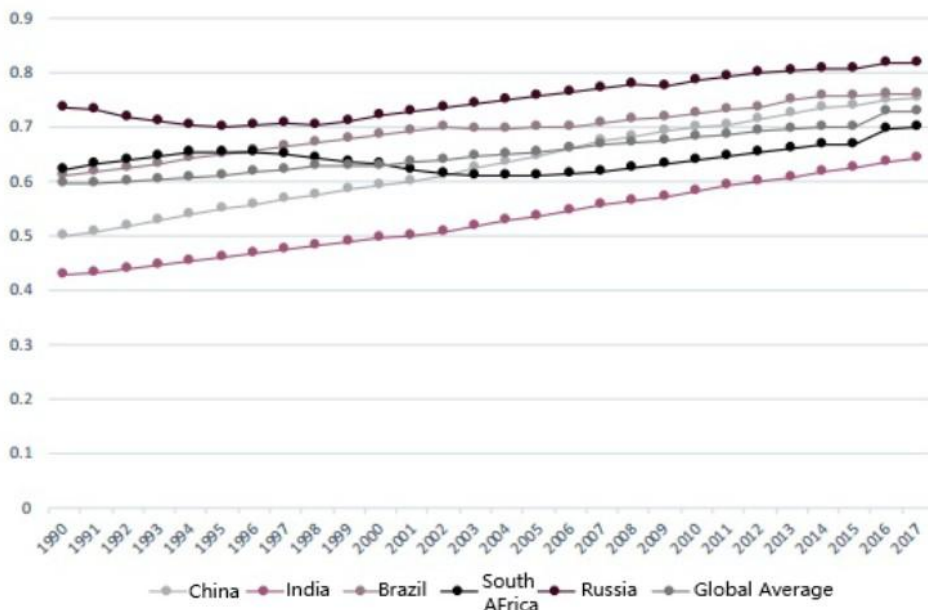


Figure 4. BRICS Countries and Global Average Human Development Index Scores (1990-2017)<sup>3</sup>

<sup>1</sup> State Council Information Office: *Moderate Prosperity in all respects: Another Milestone Achieved in China's Human Rights*, Xinhua News Agency, August 12, 2021,

[http://www.xinhuanet.com/politics/2021-08/12/c\\_1127753430.htm](http://www.xinhuanet.com/politics/2021-08/12/c_1127753430.htm).

<sup>2</sup> *China Human Development Report Special Edition: In Pursuit of a More Sustainable Future for All: China's Historic Transformation over Four Decades of Human Development*, China Translation & Publishing House, December 2019, p18.

<sup>3</sup> *Ibid.* p24.

China has formulated and implemented three action plans on human rights since 2009. During this period, the Chinese people's living standards have risen, their rights are better protected, the policies and legal measures protecting the rights of particular groups have improved, and the legal safeguards for human rights have been strengthened. China is a full participant in global human rights governance, making a major contribution to the cause of international human rights.<sup>1</sup>

The First Centenary Goal of building a moderately prosperous society in all respects has been realized. The five-year period from 2021 to 2025 will see China set out on a new journey towards the Second Centenary Goal of building a modern socialist country.

During this period, China will promote the free, well-rounded and common development of all individuals as the general goal. The government will hold fast to its people-centered approach, and exert itself to meet the people's growing expectations for human rights protection. It will guarantee the principal position of the people, ensure that development is for the people and relies on the people, and that development benefits are shared by the people, and strive to bring the people a stronger sense of benefit, happiness and security.

### **The world's largest social security system**

When the People's Republic of China was founded in October 1949, 80% of the population were illiterate, only 20% of school-age children had the opportunity to go to school, and the status of women in society was inferior. The country was plagued by epidemics and infectious diseases, and life expectancy was only 35 years.<sup>2</sup>

Today, China is still the most populous country, but the large population is no longer a burden – it is now a favorable factor propelling the country's development. Over the past decade, China has further improved its education. Thanks to universal access to higher education, China is evolving from a country with a large workforce to one with a wealth of high-quality human resources.

The average education of the working population exceeds 10 years, and enrollment in higher education is 54.4%. The nine-year compulsory education completion rate was 95.2% in 2020, and life expectancy increased from 67.8 years in 1981 to 77.3 years in 2019. These are roughly at the same level as the USA.

As the skills of the working population have greatly improved, there is a growing, well-balanced contingent of skilled workers.<sup>3</sup> By the end of 2021, China's 1.03 billion people were covered by the basic old-age pension system, and more than 1.3 billion people by basic medical insurance.<sup>4</sup> These form the world's largest social security network. The strength in human resources has injected sustainable power for China's high-quality economic development, and powerful support for its modernization.

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<sup>1</sup> State Council Information Office: *State Action Plan on Human Rights (2021-2025)*, September 2021, [http://www.gov.cn/xinwen/2021-09/09/content\\_5636384.htm](http://www.gov.cn/xinwen/2021-09/09/content_5636384.htm).

<sup>2</sup> Zhang Chewei: "On Modernization with a large population," *Economic Daily*, April 19, 2021.

<sup>3</sup> *Ibid.*

<sup>4</sup> State Council Information Office: *China's Epic Journey from Poverty to Prosperity*, September 2021, <http://www.scio.gov.cn/zfbps/32832/Document/1713886/1713886.htm>.

**Table 2. Improvement of the Chinese People’s Living Standards**

	Early years of the PRC	2020
Rural poverty headcount ratio	Extreme poverty	0%
Per capita disposable income	98 yuan (1956)	32,189 yuan
Life expectancy	35	77.8
Infant mortality rate	200‰	5.4‰
Preschool enrollment rate	20%	Nearly 100%
Average years of schooling for people aged 15 and above	80% illiterate	9.91 (2021)

Source: National Bureau of Statistics, National Health Commission, and *China and the World in the New Era*; National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2021

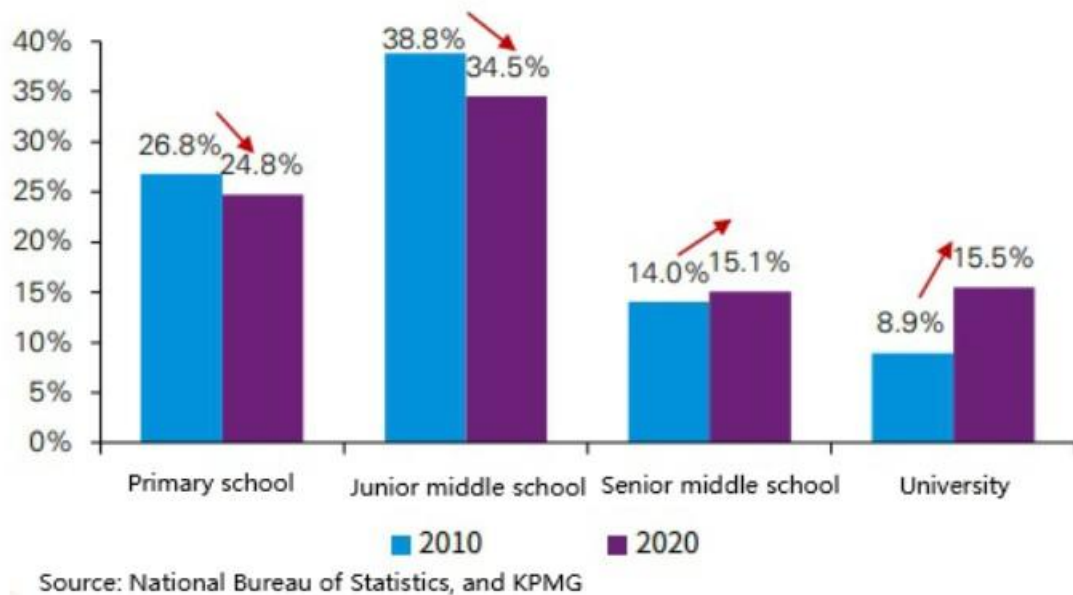


Figure 5. Population Receiving Education in 2010 and 2020 (%)

### An employment-first strategy

Since 2012, the CPC Central Committee with Xi Jinping at the core has applied an employment-first strategy. The average annual growth of new urban jobs has exceeded 10 million.

In 2021, the number of employees in urban areas was nearly 468 million, accounting for 62.7% of China’s total employed population.<sup>1</sup> Workers’ incomes are

<sup>1</sup> National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2021, February 28, 2022.



increasing rapidly. In 2020, the average annual salary of employees in urban non-private units reached 97,379 yuan, up 7.6% year on year, while those in urban private units reached 57,727 yuan, up 7.7%.<sup>1</sup>

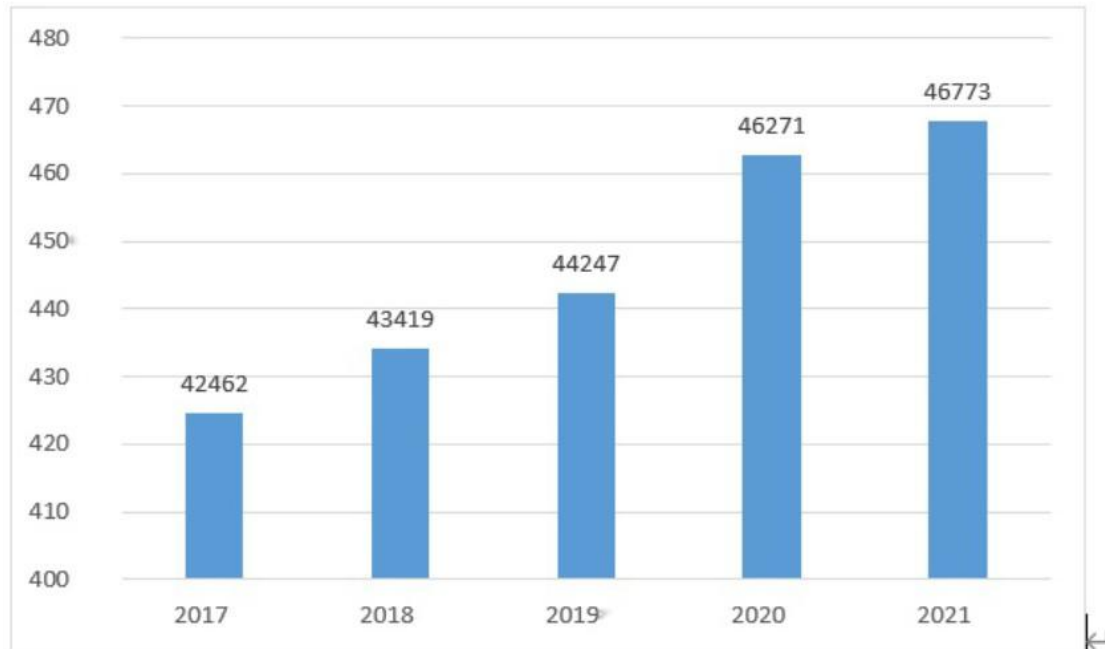


Figure 6. Urban Employment (2015-2020) (million) <sup>2</sup>

### **(3) Reform goal: modernizing China’s system and capacity for governance**

China has a vast territory and a huge population. The key to governance is to turn China’s institutions into effective governance. The most important things to always bear in mind are China’s national conditions, and the need to constantly improve the system for governance and strengthen the capacity for governance.

The subject of “modernizing China’s system and capacity for governance” was first proposed at the third plenary session of the 18th CPC Central Committee in 2013. The overarching goal of comprehensive reform became “improving and developing socialism with Chinese characteristics and modernizing China’s system and capacity for governance”.

At the fourth plenary session in 2019, the 19th CPC Central Committee elaborated on 13 systems for upholding and developing socialism with Chinese characteristics and modernizing China’s system and capacity for governance, and

<sup>1</sup> “Average salary in 2020: 97,379 yuan for urban non-private business employees,” May 19, 2021, [http://www.gov.cn/xinwen/2021-05/19/content\\_5608863.htm](http://www.gov.cn/xinwen/2021-05/19/content_5608863.htm).

<sup>2</sup> National Bureau of Statistics: China Statistics Yearbook, <http://www.stats.gov.cn/tjsj/ndsj/>.

summarized the strengths of each system. (See Figure 7.)<sup>1</sup>



Figure 7. 13 Systems to Be Upheld and Developed in China

These answer major political questions regarding China's systems such as: What should we uphold and consolidate? What should we improve and promote? They also set out the overall requirements, key tasks, and direction for upholding and improving Chinese socialism and modernizing governance in the new era.

The following are some of the key concepts:

### **“Three-step overarching goal”**

Guided by Marxism, the Chinese socialist system and state governance system have developed from the country's real conditions and culture, and enjoy the full support of the people. They have vitality and strength, and have been effective in developing China, a country with 1.4 billion people and a 5,000-year history, and ensuring that the two Centenary Goals and national rejuvenation are realized.

<sup>1</sup> “Key information of the Communiqué of the Fourth Plenary Session of the 19th CPC Central Committee,” October 31, 2019, <https://www.12371.cn/2019/10/31/ARTI1572527672747106.shtml>.

The overarching goal of developing Chinese socialism and modernizing China's governance can be summarized as three steps:

- \* to make substantial progress in building more mature and better-defined institutions in all fields by the year 2021 when the CPC celebrates its first centenary;

- \* to further improve these institutions and achieve basic modernization of China's system and capacity for governance by the year 2035;

- \* to realize full modernization of China's system and capacity for governance and consolidate Chinese socialism with greater strengths by the year 2049, when the PRC celebrates its first centenary.

### **Socialism with Chinese characteristics**

The state and governance systems that a country adopts are rooted in its history and culture, and determined by the nature of its society and the stage of economic development it has reached.

The Chinese socialist system and state governance system did not fall from the sky; they emerged from the Chinese soil through a long process of revolution, reconstruction and reform. They are the results of combining Marxist tenets with China's conditions and the outcome of a range of innovations in theory, practice and system. They crystallize the wisdom of the Party and the people and are in alignment with its history, theory and practice.

Practice is the best touchstone of the efficacy of the systems practiced by a country.

Over the past seven decades since the founding of the PRC, the CPC has led the people in creating two miracles: rapid economic growth and lasting social stability.

Socialism with Chinese characteristics is a solid system that has emerged from decades of experience. China's whole approach to and capacity for governance is based on this system.

While planning further reforms in the new era, China places its focus on developing Chinese socialism and modernizing its governance system and capacity. It will prioritize institutional improvements and capacity, and continue to reform the institutions and mechanisms to make them mature and better-defined.

### **Upholding and improving the leadership of the CPC**

The CPC's leadership is the fundamental element of China's system. Since 2012, the CPC has led the country in implementing both the Five-sphere Integrated Plan and the Four-pronged Comprehensive Strategy in a coordinated way, and making substantial progress in improving the system of Chinese socialism and modernizing state governance system and capacity. This has strongly supported political stability, economic development, cultural prosperity, and ethnic solidarity. It has brought happiness to the people and advanced progress in national rejuvenation.

The CPC's leadership is an essential feature of socialism with Chinese characteristics, and the greatest strength of the system of socialism with Chinese

characteristics. The Party is the highest force for political leadership. It exercises overall leadership over all areas of endeavor in every part of the country. The Central Committee's authority must be safeguarded and the leadership system – under which the Party exercises overall leadership and coordinates the efforts of all – must be improved.

### **(4) Innovative vision: new development philosophy**

As socialism with Chinese characteristics enters a new era, its economy is also entering a new era. The principal challenge facing Chinese society has become the gap between unbalanced and inadequate development and the people's growing expectation for a better life. Development must be balanced, innovative, coordinated, green, open and shared. These five factors are mutually reinforcing and interlinked.

#### **A super-large market**

A country cannot rank among the world's best first-class countries if it does not have a large enough population to create a strong material foundation.

Xi Jinping said, "China's economy is not a pond, but an ocean."<sup>1</sup> Its large population, vast territory, economic aggregate and unified market all mean that China's own market is super-large and its domestic demand is huge. This provides ample room for the country to make any adjustments necessary to address uncertainties at home and abroad, and enormous potential and powerful support for its sustainable and stable economic development.

With a population exceeding 1.4 billion and an economic aggregate of over 110 trillion yuan, China's market is super-large indeed. As incomes increase, market potential and influence will increase, too, which will serve as an ongoing driver of modernization.

This super-large market generates diversified demand and multi-layered consumption, which supports China's high-quality economic development. The strong resilience of the market also offers a large space for maneuver and resistance to external risks. This is like a giant ship voyaging the ocean: the larger the tonnage, the more stable it becomes. Gales and storms will not change its course.<sup>2</sup>

When the first industrial revolution took place, Britain had a population of less than 9 million; when the second industrial revolution took place, the US had a population of less than 80 million. These bear no comparison with China's market of 1.4 billion customers today.

A new round of scientific and technological revolution is sweeping across the world, and China is growing from a follower to a leader. Its tremendous market will

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<sup>1</sup> "Xi Jinping delivers a keynote speech at the opening of the First China International Import Expo," Xinhua News Agency, November 5, 2018, <http://www.xinhuanet.com/world/ciie2018/zfwqt.htm>

<sup>2</sup> Zhang Chewei: "On modernization with a large population," Economic Daily, April 19, 2021.

reduce the cost of innovation while increasing the benefits. This will also make it possible for China to become a source of global innovation in the future. The Global Innovation Index 2021, released by the World Intellectual Property Organization shows that among the 132 economies evaluated, China has risen from 29th place in 2015 to 12th in 2021.<sup>1</sup>

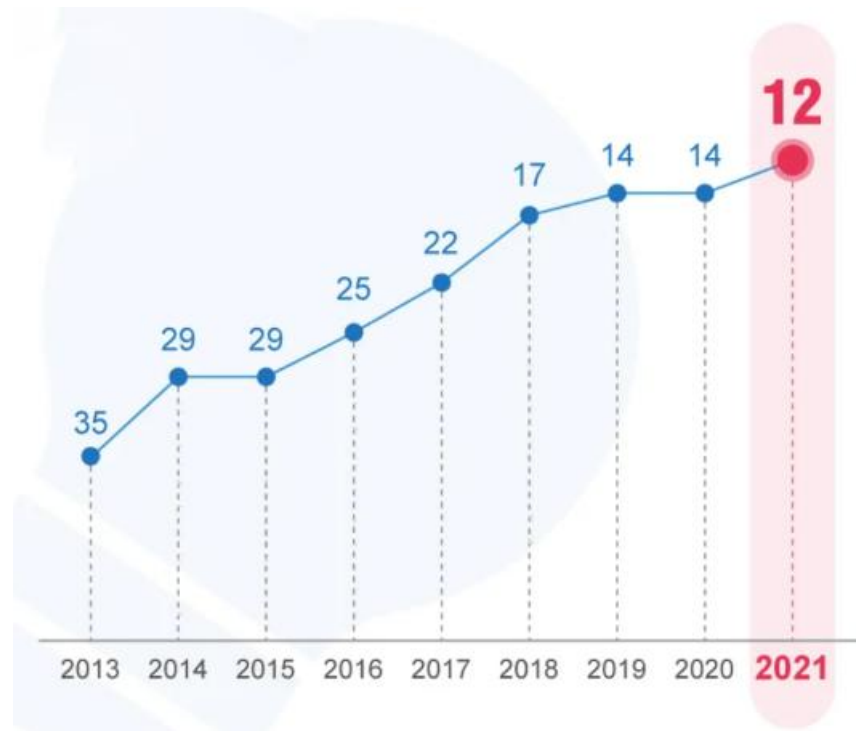


Figure 8. China's Innovation Index Ranking

### The world's most complete industrial system

A steadily growing population, better education, an improved population structure, and free flow of population are important factors behind China's quality economic development. The foundation of modernization is economic development, and the modernization of the economy is a hallmark of the modernization of the whole of society.<sup>2</sup>

While benefiting from a huge market, China is shifting its development focus from scale and speed to quality and efficiency, to promote quality development and generate a constant driving force for development and modernization.

China has built the world's most complete industrial system. It is the only country that has all the industrial categories on the UN International Standard Industrial Classification of All Economic Activities. It ranks first in terms of trade in goods, and is the largest trading partner of more than 120 countries and regions.<sup>3</sup>This

<sup>1</sup> "The Global Innovation Index 2021 released," *Economic Daily*, September 22, 2021.

<sup>2</sup> Ma Min: "China's path to modernization," *Social Sciences in China*, Issue 9, 2016.

<sup>3</sup> "China continues to attract global investors as the largest trading partner of more than 120 countries and regions," [www.gmw.cn](http://www.gmw.cn), March 19, 2021, <https://m.gmw.cn/baijia/2021-03/19/1302174493.html>.



satisfies its own need for stable economic operation and national security, and also contributes to global value chains.

For instance, China exported 224 billion facial masks in 2020 against the global backdrop of the Covid-19 pandemic. This means that it supplied nearly 40 masks for every one outside China.<sup>1</sup>

### **A modernized economy**

China is pursuing a new development philosophy featuring innovative, coordinated, green, open and shared development. Taking supply-side structure reform as the focus, it is endeavoring to build a modernized economy that will ensure that the results of development benefit all its people and meet their desire for a better life.

Compared with traditional economic systems, China's modernized system emphasizes systematic, coordinated and healthy development, in particular concerning the balance in complicated relationships: between urban and rural areas, among different regions, between domestic and international relations. The goal is to forge sound and sustainable development based on coordination and integration.

China is expected to complete its industrialization, urbanization and agricultural modernization with extensive IT application, and assure a modernized economy by the year 2035.

In terms of industrial structure, the traditional labor extensive industries have slowed down. The model of development based on a surplus workforce can no longer provide sustainable driving force for China's economic development. The economy has entered a period of medium-high growth and is shifting from high-speed growth to high-quality development, to achieve a balance with population growth.

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<sup>1</sup> General Administration of Customs: "China supplied nearly 40 masks for every one outside China," [www.gmw.cn](https://m.gmw.cn/baijia/2021-01/14/1302036144.html), January 14, 2021, <https://m.gmw.cn/baijia/2021-01/14/1302036144.html>.



Figure 9. Composition of a Modernized Economy<sup>1</sup>

## (5) Strategy: high quality development

High-quality development is a major contributor to China’s economic and social development.

Xi Jinping has interpreted the issue as follows: High-quality development is a requirement not only for the economy, but for society in general. It is a requirement not for developed regions alone, but for all regions. It is a requirement not only for the time being, but for a long time to come.<sup>2</sup>

During the period from 2021 to 2025, China will continue its underlying principle of pursuing progress while ensuring stability. It will apply the new development philosophy in all processes in all sectors, create a new economic dynamic, transform the growth model, work hard for high quality, high efficiency and more robust drivers of economic growth, and achieve fairer, safer, and more sustainable development.

<sup>1</sup> Based on Xi Jinping’s speech at the third group study session of the Political Bureau of the 19th CPC Central Committee.

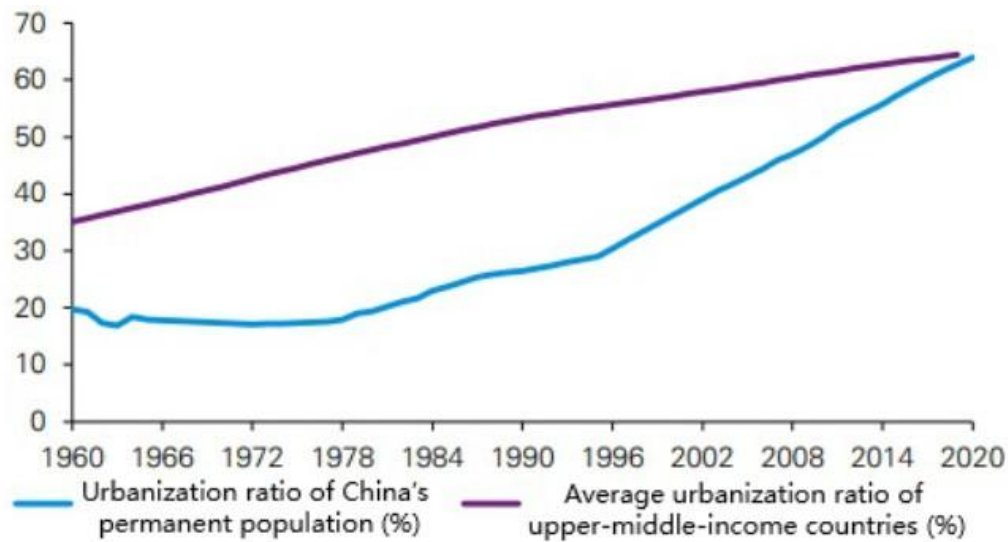
<sup>2</sup> “China’s high-quality development,” *China Economic Weekly*, Issue 5, 2021.

## New approach to urbanization

When the People’s Republic was founded in 1949, most people lived in the rural areas. Less than 11% lived in cities, and this proportion was still less than 18% by 1978.<sup>1</sup>

Since the country began reform and opening up in late 1978, it has experienced the fastest urbanization on the largest scale ever, and made remarkable progress. According to the seventh national census, urbanization had increased from 50% in 2010 to 64.7% in 2021, an average annual increase of 1.4%.

This relatively fast rate of urbanization has also narrowed China’s gap with some other countries. In 1980, China’s urbanization level was 28.3 percentage points lower than the average of upper-middle-income countries, a gap which had narrowed to less than 2 percentage points by 2019. Now China’s urbanization has reached the level of upper-middle-income countries.<sup>2</sup>



Source: 2021 China Statistics, World Bank, and KPMG  
 Note: statistics of China by 2020, and of upper-middle-income countries by 2019

Figure 10. China’s Urbanization Accelerated (%)

Some Chinese cities, such as Suqian in Jiangsu Province and Putian in Fujian Province, have reported an annual population growth rate of 6%, which is six times quicker than London and 20 times that of New York during a similar phase of urbanization.<sup>3</sup> China has undergone rapid urbanization similar to some East Asian countries. But there are also many differences. China completed the urbanization of more than 800 million people within 40 years – no other country has ever achieved such rapid urbanization on such a scale. This is a Chinese approach to urbanization,

<sup>1</sup> Zhang Chewei: “An unprecedented achievement in human history,” People’s Daily, April 2, 2021, p9.

<sup>2</sup> National Bureau of Statistics: Communique of the Seventh National Census, May 2021, <http://www.stats.gov.cn/zjtj/zdtjgz/zgrkpc/dqerkpc/>.

<sup>3</sup> “Map of global urbanization: China being the fastest,” [www.people.com.cn](http://www.people.com.cn), April 2, 2018.

which also offers great potential for the country to accelerate the creation of a double development dynamic, with the domestic economy and international engagement reinforcing each other, and the former as the mainstay.

In addition to its rapid pace, the quality of China's urbanization has also been improving since 2012. Urban functions are being upgraded, and cities have taken on a brand new look. Cities of various sizes and towns are coordinating their development, and city clusters have been created in the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area. The regional distribution of cities is better balanced.

About 20 years ago, only 30% of the Chinese lived in cities; today the proportion is 60%. This means that 400 million people, more than the total population of the US, have moved to cities. It took Europe 90 years and the US 60 years to achieve 60% urbanization. By 2035, 70% of China's population will live in cities.<sup>1</sup>



Figure 11. City Clusters in China

### Rural revitalization strategy

Speaking at the central meeting on the work related to rural areas held on December 23, 2013, Xi Jinping pointed out that China has a large population and most of its land territory is rural, so even if its urbanization rate is as high as 70%, there will still be about 500 million people living in the rural areas.<sup>2</sup>

At its fifth plenary session, the 19th CPC Central Committee decided to press forward with all-round rural revitalization, and encourage the manufacturing sector and urban entities to support agriculture and rural development. This move will help

<sup>1</sup> "US media: China plans to build five city clusters by 2035," *Global Times*, April 30, 2021.

<sup>2</sup> "Xi Jinping and Li Keqiang address the central meeting on the work related to rural areas," [www.gov.cn](http://www.gov.cn), December 24, 2013, [http://www.gov.cn/ldhd/2013-12/24/content\\_2553842.htm](http://www.gov.cn/ldhd/2013-12/24/content_2553842.htm).

create industry-agriculture and urban-rural synergies, beneficial to both urban and rural areas, and allow coordinated development leading to shared prosperity.

Xuanen County of Hubei Province, for example has developed protected agriculture and encouraged farmers to consolidate their farmland in various businesses, cooperatives and family farms, to develop sightseeing gardens and U-Pick Farms. This is a new way to help the farmers increase their incomes.

The 14th Five-year Plan period (2021-2025) is important for the all-round rural revitalization, as the country moves from moderate prosperity in rural areas to overall rural revitalization. What is to be achieved during this period will lay a solid foundation for realizing basic agricultural modernization by 2035.

### **Coordinating development across different regions**

In a huge country like China, there are great disparities among different regions. As President Xi has expressed it, “In contrast to most other countries, China has a vast territory and a large population, and its natural resources vary greatly from region to region. Coordinating development across different regions has always been a great challenge for us.”

To coordinate development across different regions, China has launched major state strategies to promote the coordinated development of the Beijing-Tianjin-Hebei region, overall development of the Yangtze Economic Belt and the Guangdong-Hong Kong-Macao Greater Bay Area, integrated development in the Yangtze River Delta, and eco-environmental protection and high-quality development in the Yellow River basin.

The guidelines for promoting coordinated, quality development across regions include:

- \* adjusting and improving regional policies in accordance with the laws of economics;
- \* giving full play to the comparative strengths of different regions, and promoting the rational flow and concentration of resources;
- \* stimulating innovation-driven development and reinforcing the dynamics for quality growth;
- \* increasing the economic and population carrying capacity of regions with distinct development strengths, including leading cities and city clusters;
- \* increasing the capacity of other regions for food, ecological and border security.

### **Balancing development and security**

It is no easy matter to balance development and security. To take a holistic approach is to coordinate development with security so that each promotes the other.

The global Covid-19 pandemic and various natural disasters caused by extreme weather show that the conditions China faces are highly complex with many uncertainties, therefore it must reinforce its capacity to prevent and address major



risks.

At its fifth plenary session, the 19th CPC Central Committee decided to coordinate development and security and build a Peaceful China on a higher level.

Speaking at the ceremony marking the CPC's first centenary in July 2021, Xi Jinping said, "We must demonstrate stronger vigilance and always be prepared for potential danger, even in times of calm. We must adopt a holistic approach to national security that balances development and security imperatives, and implement the national rejuvenation strategy within a wider context of the once-in-a-century changes taking place in the world."<sup>1</sup> This implies that balancing development and security has become a test of China's state governance capacity.

### **Primary distribution, redistribution and tertiary distribution of income**

Building a society of moderate prosperity in all respects and eliminating absolute poverty has solved the problem of "haves and have-nots." Next, China will strive to improve the people's quality of life.

The Central Commission for Financial and Economic Affairs decided at its 10th meeting held in August 2021 that China need to properly balance the relationship between efficiency and fairness, and establish basic institutions for coordinating primary distribution, redistribution and tertiary distribution. It will better leverage targeted adjustment through taxation, social insurance and transfer payments, expand the size of the middle-income group, raise incomes among low-income earners, adjust excessive incomes, and prohibit illicit income, so as to create an olive-shaped structure of income distribution and promote social fairness and justice, people's well-rounded development, and common prosperity for all.

## **II. The Chinese Path to Modernization: Common Prosperity for All**

"China's approach to modernization targets common prosperity for all. Common prosperity is a basic goal of socialism with Chinese characteristics. In the drive for modernization, China follows the people-centered development philosophy, seeks to narrow gaps between regions and between urban and rural areas, and in distribution of incomes, so as to promote social fairness and justice, realize prosperity for all, and prevent polarization."<sup>2</sup>

The CPC has endeavored to eliminate poverty and improve the people's wellbeing. This embodies its mission of serving the people whole-heartedly, and is also a responsibility of the Party and the government.

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<sup>1</sup> Xi Jinping's speech at the ceremony marking the centenary of the CPC, July 1, 2021.

<sup>2</sup> "Promoting common prosperity through high-quality development," *People's Daily*, March 1, 2022, p1.

Since 2012, the CPC has taken the people's desire for a better life as the goal of its efforts. It has adopted effective measures to ensure and improve the people's wellbeing, won the fight against poverty, and completed the task of building a society of moderate prosperity in all respects and eliminating absolute poverty. This has laid solid foundations for achieving common prosperity, which is the task for the current period when further substantial progress will be imperative.

Common prosperity is prosperity of all. It means that all the people will lead a prosperous life and a rich cultural life. It is neither prosperity for a small number of people, nor equal-shares-for-all, but step by step prosperity for all.

In the new era, the CPC will continue to improve people's wellbeing through development, ensure equitable access to basic public services, and achieve common prosperity based on collaboration and participation with the goal of benefiting all.

### **(1) An intrinsic requirement: people's desire for a better life**

Xi Jinping said, "We have a grand yet simple goal – a better life for all our people"<sup>1</sup> and "We must always have as our goal the people's desire for a better life."<sup>2</sup> Since its earliest beginnings, the CPC has considered that bringing a happy life to the people is the goal of all its endeavors in revolution, reconstruction and reform. The central leadership with Xi Jinping at the core have concerned themselves with the people's needs and worked together with them. They have made steady progress in ensuring people's access to education, employment, medical services, eldercare, and housing, and have worked to realize, protect and develop the fundamental interests of the majority of the people, keep up with the people's growing desire for a better life, and make concrete progress in common prosperity.

### **The most important issue to the CPC**

Since 2012, many of the sayings of Xi Jinping and the CPC central leadership have become popular among the people, such as "Meeting the people's aspiration to live a better life is the goal of our efforts,"<sup>3</sup> "To ensure a happy life to the people is the ultimate goal of all our work,"<sup>4</sup> "People's feeling is the best judgement of our policies,"<sup>5</sup> "How much we have done for the people and how much benefit we have brought to them – This is the best gauge of our performance,"<sup>6</sup> "We must save the coronavirus patients at all cost," and "no one will be left behind in our poverty

<sup>1</sup> Xi Jinping: *The Governance of China*, Vol. III., Foreign Languages Press, June 2020, p134.

<sup>2</sup> Party Literature Research Office of the CPC Central Committee: *Major Documents Since the 18th National Congress of the Communist Party of China*, Vol. 1, September 2014, p70.

<sup>3</sup> *Ibid.*

<sup>4</sup> Department of Publicity of the CPC Central Committee: *Selected Speeches of Xi Jinping*, People's Publishing House, Xuexi Publishing House, June 2014, p109.

<sup>5</sup> *Progress in Governance Since 2012*, Vol. 1, People's Publishing House, September 2017.

<sup>6</sup> "Improving services to the people," *People's Daily*, October 11, 2021, p6.

alleviation effort.”

These resolute promises backed by concrete follow-up actions are a solid footnote to the CPC’s commitment to its founding mission and its endeavors to do everything for the people and rely on the people.

To the CPC, the people are all that matter. To bring a happy life to the people is its only goal. To this end, the first step is to narrow the wealth gap. Xi Jinping vowed, “We will never allow a widening gap between the rich and the poor, or allow the poor to get poorer while the rich grow richer. We will never allow the existence of an unbridgeable gap between the rich and the poor.”

Public support is the essence of politics. Common prosperity is not merely an issue of economics, but a significant political issue on which the foundations of the CPC’s governance depend.

### Common prosperity for all

President Xi Jinping has said, “The development we pursue will benefit the people, and the prosperity we will bring will be prosperity for all.”<sup>1</sup>

Social equity is a vital issue to social stability and good order. This is true both for China and other countries. Governance of a country starts with the needs of the people.

Common prosperity for all is a full demonstration of the strength of socialism, a step on China’s path to modernization, and a basic goal for building a socialist modern country. To make substantial progress in achieving common prosperity for all will guide the whole process of China’s endeavors to build a modern socialist country in all respects.

Through hard work and mutual assistance, the Chinese people can anticipate leading a prosperous life with confidence, enjoying better working conditions, social harmony, and universal access to public services, and achieving well-rounded personal development. Chinese society will make progress in all sectors and the nation will enjoy the fruits of reform and development.

“On the journey ahead, we must give priority to common prosperity, make more pragmatic efforts, be more proactive, and promote the well-rounded development of the people and social progress in all aspects, so that our people will always have a strong sense of gain, happiness, and security.”

But to achieve common prosperity is an arduous, complex, and long-term task, which has to advance in steps. President Xi has specified the targets for each of the steps: making substantial progress to narrow gaps in income and consumption by the end of the current 14th Five-year Plan period (2021-2025); making more substantial progress in equitable access to basic public services by 2035; achieving basic common prosperity and bringing income and consumption gaps within a reasonable range by the middle of the 21st century.<sup>2</sup>

In achieving common prosperity, the following principles will be applied:

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<sup>1</sup> Shen Chuanliang: *Staying True to the Mission in the New Era*, People’s Publishing House, 2019, p21.

<sup>2</sup> Xi Jinping: “Promoting common prosperity with substantial progress,” *Qiushi*, Issue 20, 2021.

“creating prosperity through diligence and innovation”, “upholding the basic economic system”, “doing everything in one’s capacity”, and “making progress in steps”. China must follow the people-centered development philosophy to promote prosperity through high-quality development, properly balance efficiency and fairness, and build basic institutions for coordinating primary distribution, redistribution and tertiary distribution of income. It will better leverage targeted adjustment through taxation, social security and transfer payments, expand the size of the middle-income group, increase low incomes, adjust excessive incomes, and prohibit illicit income, so as to create an olive-shaped structure of income distribution and promote social equity and justice and common prosperity.

### **(2) A key step: eliminating poverty**

Eliminating poverty is a shared human dream. The history of human development is one of struggles against poverty.

China has a population of 1.4 billion and is the world’s largest developing country. In addition to its weak foundations and uneven development, the nation had long been plagued by poverty on a scale and of a severity as bad as anything the world has ever seen. As a result, the challenge of poverty alleviation in China almost defied imagination.

Eliminating poverty, improving people’s lives and achieving common prosperity are basic tasks of socialism, and an important part of the CPC’s mission.

### **Poverty alleviation**

Over the past 100 years, the CPC has been resolute in leading the people in the battle against poverty.

Deng Xiaoping in 1979 envisioned a society of moderate prosperity in China. Since then, eliminating poverty and realizing moderate prosperity has remained the goal of the CPC leadership of different generations. The CPC began large-scale poverty reduction campaigns in 1982, and established the principle of poverty alleviation through development in 1986. In 1994, it implemented a Priority Poverty Alleviation Program (to have the basic needs of 80 million impoverished rural residents met in the seven years from 1994 to 2000) and in 2001, promulgated the Outline of Development-driven Poverty Alleviation in Rural Areas, which was fully implemented in 2011. Poverty reduction on such a scale is unprecedented in the world.

Through perseverance, China had reduced its rural poverty-stricken population living below the current poverty threshold from 770 million by the end of 1978 to 99 million by the end of 2012, and the poverty headcount ratio had dropped from 97.5% to 10.2%.

Since 2012, the CPC has followed the people-centered development philosophy

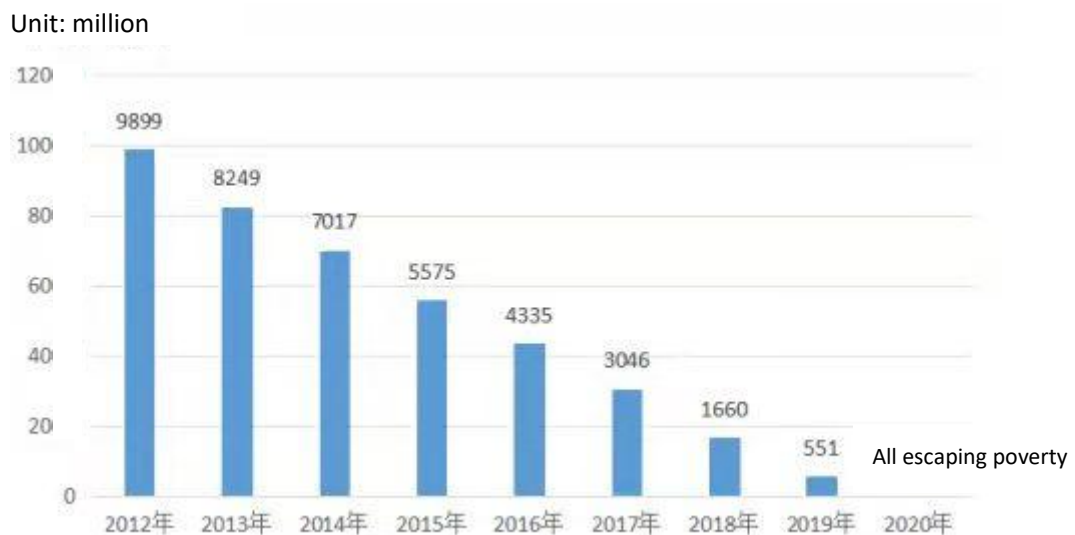
and prioritized poverty alleviation in state governance. Leveraging the strengths of the CPC leadership and socialism, the CPC has called for “targeted poverty alleviation” and “targeted poverty elimination,” adopted many major creative measures, and fulfilled the goal of eliminating absolute poverty for the new era as planned.

### Eliminating absolute poverty

Through eight years of hard work since 2012, China had, by the end of 2020, lifted all of the 99 million rural people who were living below the current poverty threshold, and all the 128,000 impoverished villages and 832 designated poor counties had escaped poverty. With this, China had eliminated poverty over entire regions.

At a meeting held on February 25, 2021 to mark China’s achievements in poverty alleviation and to honor its model fighters against poverty, Xi Jinping declared that China had won a victory in the battle against poverty, and succeeded in the arduous task of eliminating absolute poverty.

For the first time in millennia, the Chinese nation had eliminated absolute poverty for good, a dream that had finally come true. The number of its population who had escaped poverty accounted for more than 70% of the global total over the same period against the World Bank’s definition of poverty. China has fulfilled the poverty reduction goals set in the UN 2030 Agenda for Sustainable Development 10 years ahead of schedule, and fulfilled its promise that no one would be left behind on the journey toward moderate prosperity. This made a significant contribution to global poverty alleviation and human progress. <sup>1</sup>



Source: *Poverty Alleviation: China’s Experience and Contribution*

Figure 1. Number of Rural Residents in Poverty (2012-2020)

<sup>1</sup> State Council Information Office: *Moderate Prosperity in all respects: Another Milestone Achieved in China’s Human Rights*, Xinhua News Agency, August 12, 2021, [http://www.xinhuanet.com/politics/2021-08/12/c\\_1127753430.htm](http://www.xinhuanet.com/politics/2021-08/12/c_1127753430.htm).



At the ceremony marking the CPC's 100th anniversary, Xi Jinping announced on behalf of the Party and the people, "Through the continued efforts of the whole Party and the entire nation, we have realized the first centenary goal of building a moderately prosperous society in all respects. This means that we have brought about a historic resolution to the problem of absolute poverty in China, and we are now marching in confident strides toward the second centenary goal of building China into a great modern socialist country in all respects."<sup>1</sup>

### **Building a society with moderate prosperity: a task that must be fulfilled**

The CPC is clear that the battle against poverty is a tough one with no question of retreat. "No one shall be left behind" – this is an essential commitment. Especially in the last and toughest stage of the battle, there was a daunting challenge – solving the most difficult problems in raising the poorest population out of poverty, though the number of the remaining poor population was not large.<sup>2</sup>

In terms of geographical scatter, the remaining challenges were in former revolutionary areas, areas inhabited by ethnic minorities, border regions and severely impoverished regions. Of these, the toughest were the "three areas" [Tibet Autonomous Region; Hotan, Aksu, Kashgar prefectures and Kizilsu Kirgiz Autonomous Prefecture in southern Xinjiang; and prefectures and counties with large Tibetan populations in the provinces of Sichuan, Yunnan, Gansu and Qinghai] and the "three prefectures" [Liangshan Yi Autonomous Prefecture in Sichuan Province; Nujiang Lisu Autonomous Prefecture in Yunnan Province; and Linxia Hui Autonomous Prefecture in Gansu Province].

Other severely impoverished places in central and western China had large poverty-stricken populations and poor infrastructure.

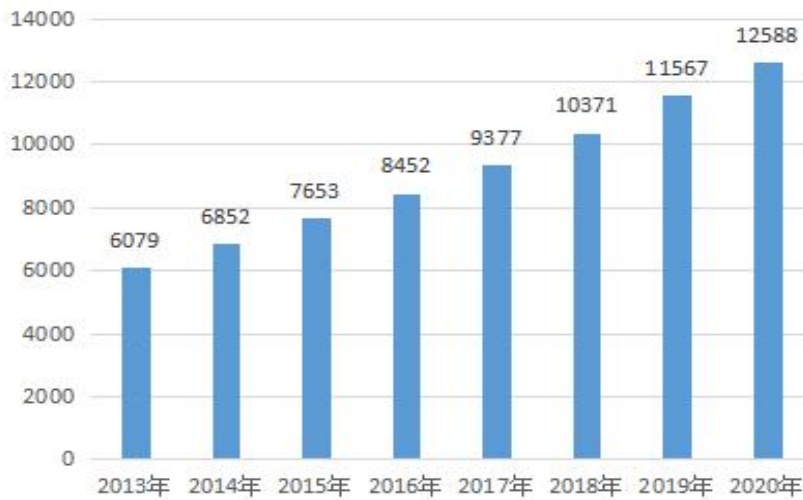
In terms of demographics, the poverty-stricken were mainly the elderly, the sick, and the disabled. Most of them lacked the ability to work their way out of poverty. They had problems with access to medical services, education, housing and safe drinking water.

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<sup>1</sup> Xi Jinping's speech at the ceremony marking the centenary of the CPC, July 1, 2021.

<sup>2</sup> Xi Jinping: "Speech at the symposium winning the fight against poverty," People's Daily, March 7, 2020, p2.

Unit: yuan



Source: *Poverty Alleviation: China's Experience and Contribution*

Figure 2. Annual Per Capita Disposable Incomes for the Rural Impoverished (2013-2020)

### Solving the “last-mile” problems in poverty alleviation

Poverty alleviation was the toughest task in building a society with moderate prosperity, and had to be solved by concentrating forces. Since 2012, great efforts had been made in poverty alleviation: boosting the economy to create more jobs for the disadvantaged, providing eco-jobs for impoverished people, relocating those living under adverse natural conditions, returning reclaimed farmlands to forests, improving infrastructure and public services, conducting poverty identification and deregistration, implementing poverty alleviation projects, and dispatching first Party secretaries and resident working teams to poor villages to assist with poverty alleviation work.

Efforts were also made to support the initiatives of the poor themselves, to boost their confidence in their own ability to escape poverty, and to ensure that they could acquire necessary knowledge and skills to succeed. They were trained in the skills needed to find jobs or run businesses, or to tap the rich local natural resources as diverse ways to increase their incomes. This helped to ensure that no one was left behind, and to consolidate the progress in poverty alleviation.

### (3) Equitable access to basic public services

The report to the CPC's 19th National Congress set the goal of ensuring equitable access to basic public services by 2035. This is listed as one of the main objectives for the current 14th Five-year Plan period. In this process, focus will be placed on the most pressing and most immediate issues that concern the people the most, and the people-centered development philosophy will be applied in full.

According to a document issued by the central leadership, by 2025 the concept of standard basic public services will be central to governance, standard procedures will be observed, and a complete, multi-layered system of standard basic public services will be in place; and by 2035, equitable access to basic public services will be ensured.

### **Standard basic public services**

The key to equitable access to basic public services is to make such services standard, so that resource allocation and service provision will follow standard procedures, to ensure the service quality, define powers and responsibilities, and adopt new ways to give all citizens equitable access to basic public services.

The National Standard for Basic Public Services (2021) released in March 2021 provides a major institutional guarantee to improving people's wellbeing.

Since 2012, the concept of basic public services has become widely understood. A relevant institutional framework has been set up, with clear division between powers and responsibilities, mature policies and measures, and better services and greater public satisfaction.

### **Rural and non-working urban residents: fully covered by medical insurance**

In 2021, more than 1.36 billion people, or 95% of China's population, joined the basic medical insurance system.<sup>1</sup> The total income of the national basic medical insurance foundation (including maternity insurance) exceeded 2.48 trillion yuan, up 1.7% year on year and accounting for 2.4% of China's 2020 GDP. The total expenditure of the foundation exceeded 2.10 trillion yuan, up 0.9% and accounting for 2.1% of China's 2020 GDP. The foundation had a surplus of 3.15 trillion yuan, including more than 1 trillion yuan of surplus in the individual accounts of employees' basic medical insurance.

### **Compulsory education for urban and rural students**

Education is critical to a country's development. China has enacted the Law on Compulsory Education, and free compulsory education is provided across the country. From rural areas to cities, from western regions to east China, from pilots to nationwide application, free compulsory education has been adopted along with exemptions from tuition and sundry fees. This represents a huge and unprecedented leap forward in education.

In 2021, 174 billion yuan was allocated from the central budget to support the nine-year compulsory education system across the country, up by 2.5% year on year.

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<sup>1</sup> National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2021, February 28, 2022, [http://www.stats.gov.cn/tjsj/zxfb/202202/t20220227\\_1827960.html](http://www.stats.gov.cn/tjsj/zxfb/202202/t20220227_1827960.html).

This money was used for rural teachers and for the nutrition improvement programs for rural students.

### Basic old-age insurance for urban and rural residents

The number of people joining the basic old-age insurance system continues to increase. By the end of 2021, the total number exceeded 1 billion, an increase of 30 million over the previous year. Of these, 480 million were urban employees, 24.5 million more than 2020; and 1028.72 million were rural and non-working urban residents, 5.54 million more than 2020.

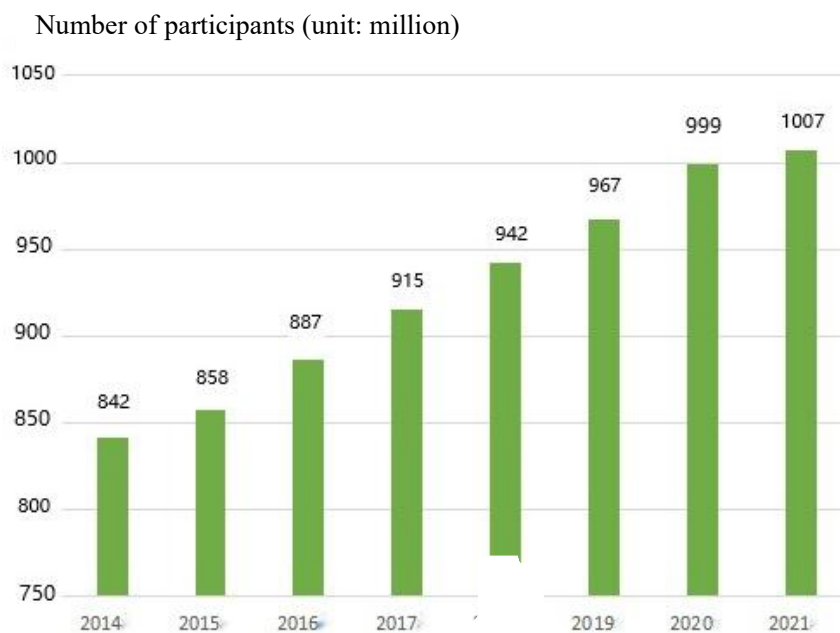


Figure 3 Number of Participants in Basic Old-age Insurance in China in 2014-2021<sup>1</sup>

### Equal access to public services in rural areas

Equal access to public services is a requirement of common prosperity. President Xi has said, “Achieving common prosperity must include agriculture and farmers, and the toughest and most arduous part of this is with the rural areas. We need to accelerate our work in the rural areas, but we should not set unified quantitative targets like poverty alleviation. We will build on the progress in poverty alleviation and monitor the people who are prone to fall into or fall back into poverty and provide timely assistance. We will continue our support to the poor counties after they have escaped poverty to ensure no new occurrence of poverty or no returning to impoverishment in large numbers. We will advance rural revitalization across the

<sup>1</sup> Based on public data. Source: [www.chyxx.com](http://www.chyxx.com), “Analysis of the basic old-age insurance and balance of fund in 2020: with 999 million participants,” March 4, 2021, <https://www.chyxx.com/industry/202103/935588.html>; “Basic old-age insurance participants exceeding 1 billion,” Xinhua News Agency, April 26, 2021, [http://www.gov.cn/xinwen/2021-04/26/content\\_5602792.htm](http://www.gov.cn/xinwen/2021-04/26/content_5602792.htm).

board, speed up industrialization of agriculture, put idle rural assets into good use, increase the property income of farmers, and help more farmers earn a better living through hard work. We will improve rural infrastructure and public services, and renovate rural living environments.”<sup>1</sup>

At present, there are obvious gaps between cities and rural areas in infrastructure and public services. So allocating public resources must be a priority in developing agriculture and rural areas, with the focus on public infrastructure in rural areas. Participation in, sharing of, and connectivity between urban and rural infrastructure will be promoted, covering roads, farmlands and water conservancy, and their maintenance and operation will be improved. Substantial progress will be made to ensure equal access to rural public services, by building an urban-rural integrated network that covers all rural residents with inclusive services. In particular, emphasis should be placed on rural transport, farmlands, water conservancy, drinking water, logistics, and broadband.

### **(4) Collaboration and participation to benefit all**

At its fourth plenary session, the 19th CPC Central Committee decided to improve a social governance system with collaboration and participation to benefit all in order to maintain social stability and national security. This is a significant demonstration of the strength of China’s socialist governance.

### **A social governance system based on collaboration, participation and common interests**

A social governance model based on collaboration, participation and common interests transforms one-way management by the government to two-way interaction between the government and the public. It requires an improved law-based social governance model under which Party committees exercise leadership, government assumes responsibility, non-governmental actors provide assistance, and the public are involved, so that more benefits of social governance will reach the people in a fairer way. The people will play their due role and contribute their wisdom in building this governance system.

In the words of Xi Jinping, social governance is an art. Management should neither be too rigid nor too loose. Vigor and order should be balanced. Democratic consultation and technological support are also needed. In building a community of social governance, everyone has and fulfills their responsibilities, and shares in the benefits. With this, the people will live and work in contentment, and the country will enjoy enduring peace and stability.

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<sup>1</sup> Xi Jinping: “Promoting common prosperity with substantial progress,” *Qiushi*, Issue 20, 2021.



## **Fengqiao model in maintaining public security**

In the early 1960s, the officials and citizenry of Fengqiao Town in Zhejiang Province created the Fengqiao model, which emphasized solving problems at the grassroots rather than passing them up to higher authorities. The Fengqiao model is an example of grassroots social governance through self-management, rule of law, and rule of virtue. The basic idea is to rely on the people to settle their problems themselves.

The Fengqiao approach has developed over the subsequent decades, and is now a model for promoting community-level governance and social harmony.

## **III. The Chinese Path to Modernization: Coordinated Material and Cultural-ethical Progress**

“China’s modernization features both material and cultural-ethical progress. Along with our modernization drive, we will continue to observe core socialist values, strengthen education in people’s ideals and convictions, carry forward fine traditional culture, build up people’s mental strength, and increase material wealth and promote well-rounded human development.”<sup>1</sup>

Properly balancing material and cultural-ethical progress is a distinct feature of the Chinese path to modernization. As Xi Jinping expressed it, “Chinese socialism promotes well-rounded development. Without a thriving socialist culture, we cannot say that we have realized socialist modernization.”<sup>2</sup>

China’s modernization is modernization with coordinated material and cultural-ethical progress. It means both improved living standards and rich cultural life. People have sufficient food, and conduct themselves with dignity and a strong sense of morality. While seeking material progress, China must also persevere in raising people’s cultural-ethical standards, and in providing intellectual and mental support and rich moral nourishment along the way toward national rejuvenation.

In addition to modernization in its cultural sector, China also advocates the shared values of humanity in the international community, promotes exchanges and mutual learning between different civilizations, and works to create a new model for human progress.

### **(1) Core values: core socialist values**

The cultural soft power of a country reflects the vitality, cohesion and strength

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<sup>1</sup> “Xi Jinping leading the Chinese path to modernization,” *People’s Daily*, March 2, 2022, p1.

<sup>2</sup> Xi Jinping: *Speech at the Seminar with Experts from Education, Culture, Health and Sports Sectors*, People’s Publishing House, September 2020, p4.

of the country's core values.

Core values are what stabilize a country. Without core values, a nation or a country will lose its soul and direction. The core values must be rooted in its own history and culture and support its endeavors; in this way they can help to solve the problems it is facing.

### **“The greatest common ground”**

Since 2012, the CPC has advocated the core socialist values of prosperity, democracy, civility and harmony; freedom, equality, justice and the rule of law; and patriotism, dedication, good faith and amity. These values underpin the Chinese nation, buttress Chinese society, and underpin individual conduct. They represent the spirit of modern China and are a crystallization of the values shared by all Chinese people.

Of these values, patriotism is the most profound and eternal. Over the past century, the CPC has rallied the Chinese people and led them in revolution, construction and reform, which is a great manifestation of patriotism. In pursuing modernization, the nation will carry on patriotism and display the courage to reform. This spirit is the bedrock of the nation and key to rejuvenation.

The report to the CPC's 19th National Congress decided to focus on fostering a new generation capable of shouldering the mission of national rejuvenation. To this end, China needs to offer the people better guidance, expose them to successful practices, and provide institutional guarantees. It will draw on core socialist values to guide all areas of social development and become part of people's thinking and behavior.

## **(2) National identification: sense of community for the Chinese nation**

The history of China is the history of integration of numerous ethnic groups into a whole nation. It records how the many ethnic groups have worked in creating, developing and consolidating a great country together.

The world today is undergoing change of a scale unseen in a century, and China is in a vital stage on its journey toward national rejuvenation. Its people need to heighten their sense of Chinese identity, unite more than ever as one, pool their strengths, and consolidate socialist ethnic relations featuring equality, solidarity, mutual assistance and harmony, so as to ensure that China continues to make steady progress.

### **A sense of identity of the Chinese nation**

At the 2021 Central Conference on Ethnic Affairs, Xi Jinping elaborated on the

importance of a strong sense of identity for the Chinese nation. He pointed out that forging a strong sense of Chinese identity means guiding all ethnic groups to stick together, share the rough times and the smooth, and build a strong community of shared future. This is the focus of the CPC's work related to ethnic affairs, so that all ethnic groups will heighten their awareness of the motherland, the Chinese nation, Chinese culture, the CPC, and Chinese socialism.

### **A united multiethnic country**

China is a united multiethnic country. The various ethnic groups have together developed China's vast territorial land, written the long history of the Chinese nation, created China's brilliant culture, and forged the Chinese spirit of self-reliance. The unification of various ethnic groups into one nation is the very essence of China, and a condition and a strength that is at the core of China's development. Now that Chinese socialism has entered a new era, the Chinese nation can look forward to a period of historic opportunity for development.

### **The Chinese nation is one big family.**

Xi Jinping has called on all ethnic groups in China to treasure ethnic solidarity as they do the gift of sight, cherish ethnic solidarity the way they treasure life, and remain as closely united as the seeds of a pomegranate.<sup>1</sup>

The Chinese nation is one family and ethnic solidarity is its lifeline. Realizing the Chinese Dream is the shared aspiration of all the sons and daughters of the Chinese nation, and all ethnic groups in China.

Over the seven decades since 1949, the CPC has worked to cement the basis for ethnic solidarity, strengthened resistance against ethnic separatism, and brought tremendous improvements to the conditions of minority ethnic groups, the areas they inhabit, ethnic relations, and the Chinese nation as a whole.

### **(3) China's goal: a socialist country with a thriving culture**

Culture is the soul of a country and a nation. Confidence in its culture is basic, deep-rooted and reaches far and wide; it is a force that is fundamental, stable and persistent. In the words of Xi Jinping, "Without full confidence in our culture, without a rich and prosperous culture, the Chinese nation will not be able to rejuvenate itself."<sup>2</sup>

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<sup>1</sup> Party Literature Research Office of the CPC Central Committee: *Xi Jinping's Remarks on Political Progress*, Central Party Literature Press, 2017, p173.

<sup>2</sup> 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: Report to the 19th National Congress of the Communist Party of China*, People's Publishing House, 2017, p41.

China's unique culture and traditions and its history and national conditions determine that the country will promote cultural-ethnic progress and inspire the cultural creativity of the whole nation, to develop a great socialist culture with Chinese characteristics.

At its fifth plenary session in October 2020, the 19th CPC Central Committee devised a strategy for building a great socialist culture by 2035. This was the first timetable set by the central authorities since the goal of building a great socialist culture was put forward at the sixth plenary session of the 17th CPC Central Committee in October 2011.

The specific goals are as follows:

(1) enhancing social manners and civility by helping the people raise their political awareness, enhance their moral outlook, and foster civic virtues adapted to the requirements of the new era, by making education about convictions and ideals a regular and institutionalized activity, and by cultivating a healthy cyber culture;

(2) improving public cultural services by boosting the press and publishing, radio, film and television programs, literature and art, philosophy and social sciences; integrating the urban and rural systems of public cultural services, carrying out public-interest cultural programs in new ways, launching more popular cultural activities, and applying digital technologies in public cultural services; and

(3) improving the modern system for cultural industries by way of digital transformation, regulating the construction of cultural industrial parks, integrating the development of culture and tourism, and introducing new forms of international communication.

### **China will thrive only if its culture thrives; the Chinese nation will be strong only if its culture is strong.**

The tremendous transformation of China, from standing up and growing prosperous to becoming a strong nation, must be accompanied by a thriving culture and must answer the call to build a strong socialist culture. This is an important goal for the CPC and the Chinese people, a strategic task in building a modern socialist country, and a fundamental support to national rejuvenation. Culture plays an essential role in building a modern socialist country, and will only grow in importance during this whole process.

Socialist culture is thriving, with a public cultural system being gradually established for both urban and rural areas and public cultural facilities opening to the public free of charge.

By the end of 2021 China had 3,217 public libraries (with 729 million visits that year), and 3,317 cultural centers. In 2021 China published 27.6 billion copies of newspapers, 2 billion copies of magazines, and 11 billion books, 7.76 copies per capita on average. There were 4,233 archives, with 189 million items available for scrutiny. Large cultural enterprises reported nearly 12 trillion yuan of turnover, up

16% year on year. There were 3.97 million sports venues.<sup>1</sup> More public stadiums, gyms, sports parks and parks with sports facilities had been built and opened to the general public.

### **Socialist culture with Chinese characteristics**

Socialist culture with Chinese characteristics is derived from China's great traditional culture, which was born of the Chinese civilization and has been nurtured over more than 5,000 years; it has grown out of the revolutionary and progressive socialist culture that developed over the course of the Chinese people's revolution, reconstruction, and reform under the CPC's leadership; and it is rooted in the great practice of socialism with Chinese characteristics.

To develop socialist culture with Chinese characteristics means developing a socialist culture that is sound and people-oriented, that embraces modernization, the world and the future, that promotes socialist material wellbeing, and that raises socialist cultural-ethical standards. In developing this culture, China needs to follow the guidance of Marxism, base its efforts on traditional Chinese culture, and take into account its contemporary realities and the conditions of the present era.

Socialist culture with Chinese characteristics is the right path to promote socialist culture. Developing such a culture will inspire the cultural creativity of the whole nation toward the goal of a great socialist culture in the end.

### **Rich cultural activities**

Common prosperity is prosperity for all. It means both material and cultural-ethical prosperity. "We will promote rich cultural activities for the people. Common prosperity is entirely consistent with people's well-rounded development. We will guide our people with core socialist values, enhance education of patriotism, collectivism and socialism, develop public cultural programs, and improve public cultural services, to meet their diversified intellectual demands. We will intensify guidance on public opinion, clarify any ambiguity, and prevent impatience for quick results or fear of challenges."<sup>2</sup>

Common prosperity in terms of intellectual pursuits is a feature of a country strong in culture. The efforts to this end reflect that the CPC targets an advanced culture, helps meet people's growing desire for quality cultural products, enhances China's cultural soft power, and builds up its strength in culture.

Progress will bring the people a stronger sense of gain and satisfaction. They will be more educated and civilized, while social cohesion will be reinforced and the nation will have greater confidence in its culture. In this process, Marxism will remain as a guiding ideology.

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<sup>1</sup> National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2021, February 28, 2022, [http://www.stats.gov.cn/tjsj/zxfb/202202/t20220227\\_1827960.html](http://www.stats.gov.cn/tjsj/zxfb/202202/t20220227_1827960.html).

<sup>2</sup> Xi Jinping: "Promoting common prosperity with substantial progress," *Qiushi*, Issue 20, 2021.



#### (4) Common values of humanity

Currently the world is undergoing a scale of change unseen in a century. Multi-polarity and economic globalization are surging trends, and changes in the global governance system and the international order are speeding up.

Speaking at the ceremony marking the CPC's 100th anniversary, Xi Jinping said, "The Party will continue to work with all peace-loving countries and peoples to promote the shared human values of peace, development, fairness, justice, democracy, and freedom."<sup>1</sup>

Promoting the common values of humanity is an important means of protecting the dignity of humanity and promoting human civilization. It reflects the CPC's responsible attitude toward a shared future for humanity, and shows a concern for the people in its diplomacy that befits China's status as a major country.

#### Peaceful development

A peaceful environment is the precondition for development of all countries, and their development will in turn help consolidate world peace. China has been an important force in promoting global peace and development. Xi Jinping has said, "On the path ahead, we must champion the cause of peace, development, cooperation and mutual benefit, uphold the fundamental foreign policy goals of preserving world peace and promoting common development, and forge a new approach to international relations featuring mutual respect, equity and justice, and win-win cooperation."<sup>2</sup>

China has never and will never seek hegemony, or engage in expansion, or seek any sphere of influence. It pursues development while safeguarding world peace and promotes world peace along with its own development. It has put forward the Five Principles of Peaceful Coexistence, advocates a new common approach to security that is comprehensive, cooperative and sustainable, and stays committed to solving disputes through peaceful means, and work with the people of other countries to safeguard world peace and promote common development.

#### Fairness and justice

Xi Jinping has said, "Justice is the noble goal that people of all countries pursue in international relations."<sup>3</sup> Safeguarding fairness and justice and promoting greater democracy in international relations must be based on full respect for the sovereignty, security and territorial integrity of all countries. All countries, big or small, strong or weak, rich or poor, are equal. China opposes any attempt to impose one's will on

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<sup>1</sup> Xi Jinping's speech at the ceremony marking the centenary of the CPC, July 1, 2021.

<sup>2</sup> Xi Jinping: *The Governance of China*, Vol. III., Foreign Languages Press, June 2020, p187.

<sup>3</sup> Xi Jinping: *Carry forward the Five Principles of Peaceful Coexistence to Build a Better World Through Win-win: Speech at the meeting marking the 60th anniversary of the initiation of the Five Principles of Peaceful Coexistence*, People's Publishing House, 2014, p. 10.

others or interfere in the internal affairs of others, and any action by the strong that involves abusing the weak. It respects the right of the people of all countries to choose their own development path.

In global governance, China advocates the principle of consultation and contribution for shared benefits, and works to promote the reform of the global governance system. It supports the United Nations in playing an active role in international affairs, and supports the efforts of other developing countries to increase their representation and strengthen their voice in international affairs. China will stay as determined as ever to build world peace, contribute to global prosperity, and uphold the international order.

### **Democracy and freedom**

Democracy and freedom are shared goals throughout the world. They are included in China's core socialist values. The Chinese people enjoy extensive and genuine democracy and freedom. China's whole-process democracy ensures that all power of the state belongs to the people, safeguards and develops the fundamental interests of the people, and makes a valuable contribution to human political progress.

### **(5) A new model for human progress**

As different societies have different principles and values, there are different models of modern civilization based on alternative logic. Under the CPC's leadership and the guidance of Marxism, a new model for human progress has been created in building socialism with Chinese characteristics.

This new model for human progress demonstrates the unique strengths of China's socialist path, theory, system and culture. It is guided by the new development philosophy featuring innovative, coordinated, green, open and shared development; it promotes all-round material, political, cultural, ethical, social and eco-environmental progress; it brings happiness to the people, rejuvenation of the Chinese nation and universal harmony of human society; and it offers China's experience and approach to solving the problems facing humanity.

This new model for human progress embraces the CPC's contemporary outlook on human civilization. It is a Marxist approach to human development based on various global trends, and is significant for the future of both the Chinese civilization and other world civilizations.

### **Model of socialist civilization**

The new model for human progress created by the CPC is a model of socialist civilization. Socialism is not only a political cause, but also a new model of society and civilization. To emancipate all human beings and promote human development are the goals of socialism.

Establishing this new model has to be people-centered, rather than capital-driven. By safeguarding people's fundamental interests, satisfying their desire for a better life, and promoting well-rounded human development, socialist China maintains a distinct demarcation that distinguished it from capitalism in terms of fundamental principle.

### **Chinese model of modern civilization**

The new model for human progress created by the CPC is a Chinese model of modern civilization. Instead of following the path to modernization taken by capitalist countries, China has chosen its own path. This path has laid foundation for the new model of human progress and embodies the new values of humanity. Their different paths also highlight the differences between civilizations.

### **Contemporary model of Chinese civilization**

The new model for human progress created by the CPC is a contemporary model of Chinese civilization. Through perseverance, the CPC has united the Chinese people and led them in opening a path of socialism with Chinese characteristics and establishing and developing the socialist system, culture and theory. These achievements have brought about tremendous change to China's civilization.

While the spirit of the Chinese civilization has been carried on, the conditions for its development have changed in a profound way, from passive to active. Socialism with Chinese characteristics is the new mission of the old nation, which offers a new form of Chinese civilization.

### **New model of world civilization**

The new model for human progress created by the CPC is a new model of world civilization. This model is built on the traditional foundations, and has contemporary significance. It reshapes the landscape and direction of human civilization, and creates new relationships.

With the peaceful rise of China, a once ancient country is becoming an "emerging state." This represents a significant change to the balance of power of Western civilization and non-Western civilization, and changes the landscape of human civilization.

The Belt and Road Initiative proposed by China sets the course for globalization, and represents a transformation of human civilization as well. Working together through mutually beneficial cooperation is the best way to guarantee the positive development of human civilization.

## **VI. The Chinese Path to Modernization: Harmony Between Humanity and Nature**

Nature is the cradle for the survival and development of humanity. The relationship with nature reflects the level of human civilization.

In his report to the CPC 19th National Congress, Xi Jinping announced: “The modernization that we pursue is one characterized by harmonious coexistence between man and nature. In addition to creating more material and cultural wealth to meet people’s ever-increasing needs for a better life, we need also to provide more quality ecological goods to meet people’s ever-growing demands for a beautiful environment.”<sup>1</sup>

China’s modernization will bring both material and cultural-ethical progress. China has acted on the understanding that lucid waters and lush mountains are invaluable assets, and respects, accommodates and protects nature. It has applied the principles of prioritizing resource conservation and environmental protection and letting nature restore itself, in order to defend environmental security. China has implemented its strategy on sustainable development, improved coordination mechanisms related to environmental conservation, worked to develop a system for creating an eco-civilization, promoted greener economic and social development, and advanced its modernization with harmony between man and nature.

### **(1) A striking metaphor: Lucid waters and lush mountains are invaluable assets.**

Lucid waters and lush mountains are invaluable assets – this captures the relationship between eco-environmental protection and economic development.

#### **Lucid waters and lush mountains are invaluable assets.**

Lucid waters and lush mountains are not only natural and environmental wealth, but also social and economic wealth. Healthy ecosystems promise boundless economic potential and generate steady returns. The high mountains, vast grasslands, dense forests, blue skies and turquoise seas, clean beaches, lakes and wetlands, and icy steppes are all endowments of nature and sources for human sustainability. Without all these, all the property of human society will be like water without a source. Development cannot be pursued at the expense of resources and the environment, and eco-environmental protection cannot be made at the expense of

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<sup>1</sup> 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: Report to the 19th National Congress of the Communist Party of China*, People’s Publishing House, 2017, p50.

economic development. The right way is to seek development along with protection, and to protect through development.

The comparison of mountains of green with mountains of gold was first made by Xi Jinping in 2005 when he visited Yucun, a village in Zhejiang, in his capacity as secretary of the CPC Zhejiang Provincial Committee.

Since then, Yucun has pursued green development and built itself into a beautiful village. Its efforts have paid off. The village's income has steadily increased: reaching 7.24 million yuan with a per capita income of 55,680 yuan in 2020.<sup>1</sup>

Yucun is a live example of the idea that mountains of green are mountains of gold. From selling minerals in the mountains to benefiting from beautiful scenery, the villagers now understand well what is meant by "green is gold." "Practice has proved the profundity of President Xi's insights regarding eco-environmental conservation and economic development."<sup>2</sup>

### **A good eco-environment is the most inclusive form of public wellbeing.**

On a visit to Hainan Province in April 2013, Xi Jinping pointed out, "A good eco-environment is an equitable public product and the most inclusive form of public wellbeing."<sup>3</sup> Eco-environmental protection is a question of how, not if. Because "Protecting the environment equates to protecting productive forces; improving the environment equates to enhancing productive forces."<sup>4</sup>

China will never pursue economic development at the expense of the environment. Instead, it continues its technological revolution and industrial transformation, pursues green development, grasps the great development opportunities brought about by green transformation, prioritizes eco-environmental conservation, and pursues green, low-carbon and high-quality development, so as to achieve modernization with harmonious coexistence between humanity and nature.

### **Green, low-carbon and circular development**

Developing a sound green, low-carbon and circular economy and promoting the green transition of the economy and society is a fundamental requirement for solving the problems China faces in relation to resources and the eco-environment.

Since 2012, China has made historic progress in building an eco-civilization. To develop a green, low-carbon and circular economy, it has to first effectively control greenhouse gas emissions. This is key to its strategy in response to climate change, and in achieving peak carbon and carbon neutrality.

<sup>1</sup> Zhejiang Provincial Sports Bureau: "From rural revitalization to common prosperity: sports development in Anji County of Zhejiang Province," June 16, 2021, <http://www.sport.gov.cn/n14471/n14482/n14519/c993225/content.html>.

<sup>2</sup> Du Shangze: "Striving for sustainable development," *People's Daily*, March 3, 2022, p1.

<sup>3</sup> Party Literature Research Office of the CPC Central Committee: *Xi Jinping's Remarks on Socialist Eco-civilization*, Central Party Literature Press, 2017, p4.

<sup>4</sup> *Ibid.* p23.



In 2021, coal consumption accounted for 56% in the total consumption of energy, down 0.9 percentage point on the previous year, and natural gas, hydropower, nuclear power and wind power held a 25.5% share, up 1 percentage point. The carbon dioxide emission per 10,000 yuan of GDP dropped by 3.8%, and the comprehensive energy consumption of calcium carbide by key energy-consuming industrial enterprises dropped by 5.3%. This marked progress in both eco-environmental protection and high-quality economic development.<sup>1</sup>

## **(2) Humanity and nature form a community of life.**

The ecosystem is an organic community with complex connections and interactions. Natural resources are the material conditions that are irreplaceable for human survival and development. The stability, beauty, balance and sustainability of the ecosystem are preconditions for coordinated and sustainable human development.

### **Harmony between humanity and nature**

Humanity survives on the living space and resources provided by nature. Humanity and nature form a community of life. The two interact with each other and must adapt to each other for harmonious coexistence. Human survival and development are restricted by natural resources.

In ancient times, the areas of the Silk Road and the Hexi Corridor extended had plenty of water and lush pasture. Unregulated exploitation of land, excessive logging, and other activities that violated the laws of nature destroyed the ecology, resulting in a deteriorating environment and expanding deserts.

The eco-civilization China is building promotes coordination and harmony between humanity and nature, between individuals, and between the individual and society, to create a virtuous circle and prosperity for all.

### **Treating the eco-environment as a living organism**

Humanity is both a producer and a consumer in nature. Any harm we inflict on nature will eventually return to haunt us. Xi Jinping said, “We should protect the eco-environment as we protect our eyes, and cherish it as we cherish our own lives.”<sup>2</sup>

China has mobilized the whole of society to participate in building an eco-civilization that allows all to enjoy the beauty of nature and life in an environment of green mountains and clear waters.

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<sup>1</sup> National Bureau of Statistics: Statistical Communiqué of National Economic and Social Development 2021, February 28, 2022, [http://www.stats.gov.cn/tjsj/zxfb/202102/t20210227\\_1814154.html](http://www.stats.gov.cn/tjsj/zxfb/202102/t20210227_1814154.html).

<sup>2</sup> Party Literature Research Office of the CPC Central Committee: *Xi Jinping's Remarks on Socialist Eco-civilization*, Central Party Literature Press, 2017, p8.

## A holistic approach to conserving mountain, river, forest, farmland, lake, grassland and desert ecosystems

Mountains, rivers, forests, farmlands, lakes, grasslands and deserts are a community of life. These factors are interdependent, and together they constitute the foundation for human development. This is why harmony between humanity and nature is so important.

As China builds its eco-civilization, multiple measures have been adopted based on overall plans, taking into account the conservation of all these factors and in the requirements of urbanization. (See Figure 3.)

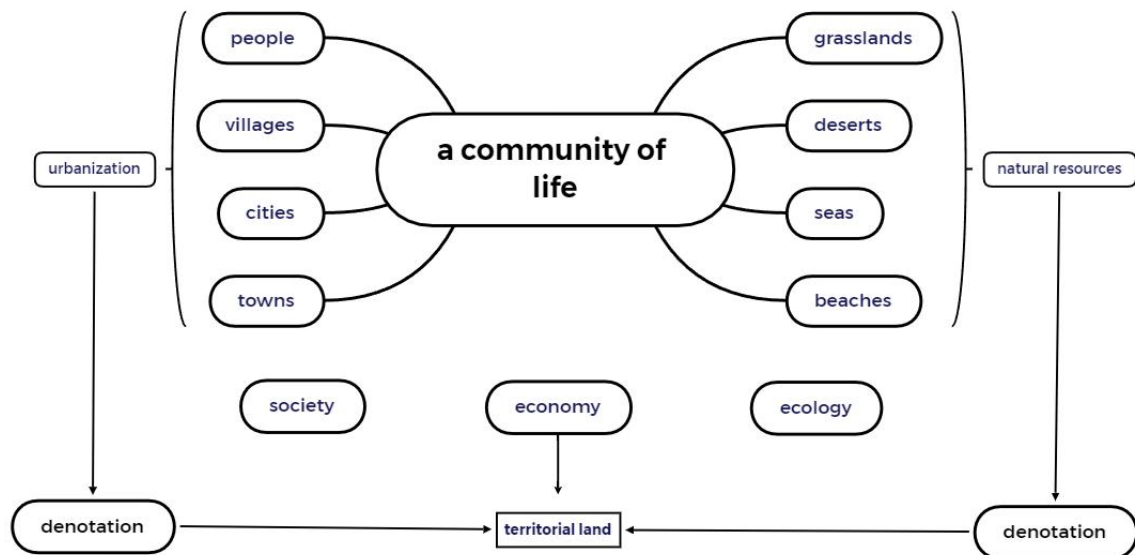


Figure 1. A Holistic Approach to Conserving Mountains, Rivers, Forests, Farmlands and Lakes

### (3) Principles for responsibility: fairness, justice and shared gains

There is but one Planet Earth, and all countries share one world. Building an eco-civilization is critical to the future of human society, and building a beautiful homeland is the shared aspiration of humanity. Confronted by a deteriorating eco-environment, all countries are a community with a common stake, and no country can ignore its responsibilities. Only together can we create a harmonious, livable environment, heal its wounds, and achieve sustainable development.

## A new system of global environmental governance

Diverse exchanges and cooperation in eco-environmental and green technologies can help humanity address climate change and tackle other environmental problems.

Domestically, China has pursued green development regarding its land use, industrial structures, ways of work and life, values, systems and institutions. Internationally, it firmly practices multilateralism, and works for a fair and rational system for global environmental governance that promotes mutually beneficial cooperation. Today it has become an important participant, contributor and trailblazer in building a global eco-civilization.

By the end of 2020, China's carbon dioxide emissions per unit of GDP were 18.8 percent lower than that in 2015. The figure was 48.4 percent less than that in 2005, meaning that China had more than fulfilled its commitment to the international community – to achieve a 40-45 percent reduction from 2005 to 2020. The drop translated to a total reduction of 5.8 billion tons of carbon dioxide emissions, and enabled China to reverse the rapid growth of its carbon dioxide emissions.<sup>1</sup>

## Principle of common but differentiated responsibilities

All countries are interconnected and interdependent. Building a clean, beautiful world needs the concerted efforts of the international community.

In a written statement at the World Leaders Summit at the 26th session of the Conference of the Parties to the UN Framework Convention on Climate Change held on November 1, 2021, Xi Jinping called on the international community to “uphold multilateral consensus, focus on concrete actions and accelerate the green transition.”<sup>2</sup>

The UN 2030 Agenda for Sustainable Development sets requirements for green development and eco-environmental conservation and thus points the direction for international cooperation and the development of individual countries.

As a major country that shoulders its responsibilities, China will increase exchanges and cooperation in addressing climate change, marine cooperation, wildlife protection, and desertification control.<sup>3</sup> Following the principles of common but differentiated responsibilities, and of fairness, justice and sharing of benefits, it has taken on a role aligned with its own development, and worked to build a harmonious, livable eco-environment, in order to bring about steady progress in building a global eco-civilization.

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<sup>1</sup> State Council Information Office: *Responding to Climate Change: China's Policies and Actions*, October 27, 2021, <http://www.scio.gov.cn/zfbps/32832/Document/1715491/1715491.htm>.

<sup>2</sup> “Xi Jinping's main remarks on harmony between humanity and nature,” *Guangming Daily*, January 29, 2022, p2.

<sup>3</sup> Recommendations of the Central Committee of the Communist Party of China for Formulating the 14th Five-year Plan for Economic and Social Development and Long-range Objectives through the Year 2035, Xinhua News Agency, November 3, 2020, [http://www.gov.cn/zhengce/2020-11/03/content\\_5556991.htm](http://www.gov.cn/zhengce/2020-11/03/content_5556991.htm).

## (4) China’s promises: to peak carbon dioxide emissions and achieve carbon neutrality

In recent years, China has made steady progress in peaking carbon dioxide emissions and achieving carbon neutrality. In supplying a remote climate sensing satellite to Africa, building low-carbon demonstration zones in Southeast Asia, and providing energy-saving lamps to small island countries, China’s contribution to South-South Cooperation on climate change are tangible and pragmatic.

### China’s targets of carbon emissions control

To realize peak carbon emissions and carbon neutrality is a natural choice for China if it is to pursue sustainable and high-quality development. It is also an imperative for building a global community of shared future.

Following the global trend of green and low-carbon development, China has participated in carbon emissions reduction and made plans for carbon neutrality. It had over-fulfilled the targets set for the 2020 regarding its response to climate change.

In 2021, China announced that it would reach peak carbon dioxide emissions by 2030 and achieve carbon neutrality before 2060. It defined related plans in the government work report for the year. This showed China’s determination to promote global sustainable development.<sup>1</sup>

Table 1. Carbon Neutrality Promises of 10 Countries with Coal-fired Power Stations

Country	Electricity generated by coal-fired power stations	Carbon Neutrality Promise	Year of target
China	50.20%	Yes	2060
India	11.00%	—	—
The US	10.60%	—	—
Japan	3.10%	Yes	2050
Republic of Korea	2.50%	Yes	2050
South Africa	2.20%	Yes	2050
Germany	1.90%	Yes	2050
Russia	1.80%	—	—
Indonesia	1.80%	—	—
Australia	1.60	—	—

Source: “The Path to Carbon Neutrality and Relevant Policies” by Wang Can and

<sup>1</sup> Li Xinlei: “China’s new energy diplomacy in building global ecological civilization,” *People’s Forum*, Issue 14, 2021.

Zhang Yaxin

In 2020, China's ratio of non-fossil energy to its total energy consumption rose to 15.9%.<sup>1</sup> China has worked out an action plan for peaking carbon dioxide emissions before 2030, which includes improving the industrial and energy structures, clean and efficient utilization of coal, developing new energy, building a number of clean energy bases featuring integrated energy development, and increasing the proportion of non-fossil energy in total energy consumption to about 20%.<sup>2</sup>

While ensuring security, China will actively develop its nuclear energy in an orderly way, extend the income tax reduction and exemption policy to more environmental protection and energy and water-saving enterprises, promote the research, development and application of new energy-saving and eco-friendly technologies, equipment and products, foster stronger energy-saving and eco-friendly industries, and encourage efficient utilization of resources. It will accelerate the drive to build a national market to trade energy use rights and carbon emission rights, implement financial support to green, low-carbon development, introduce tools to support carbon emissions reduction, and increase the carbon sink capacity of the ecosystems.

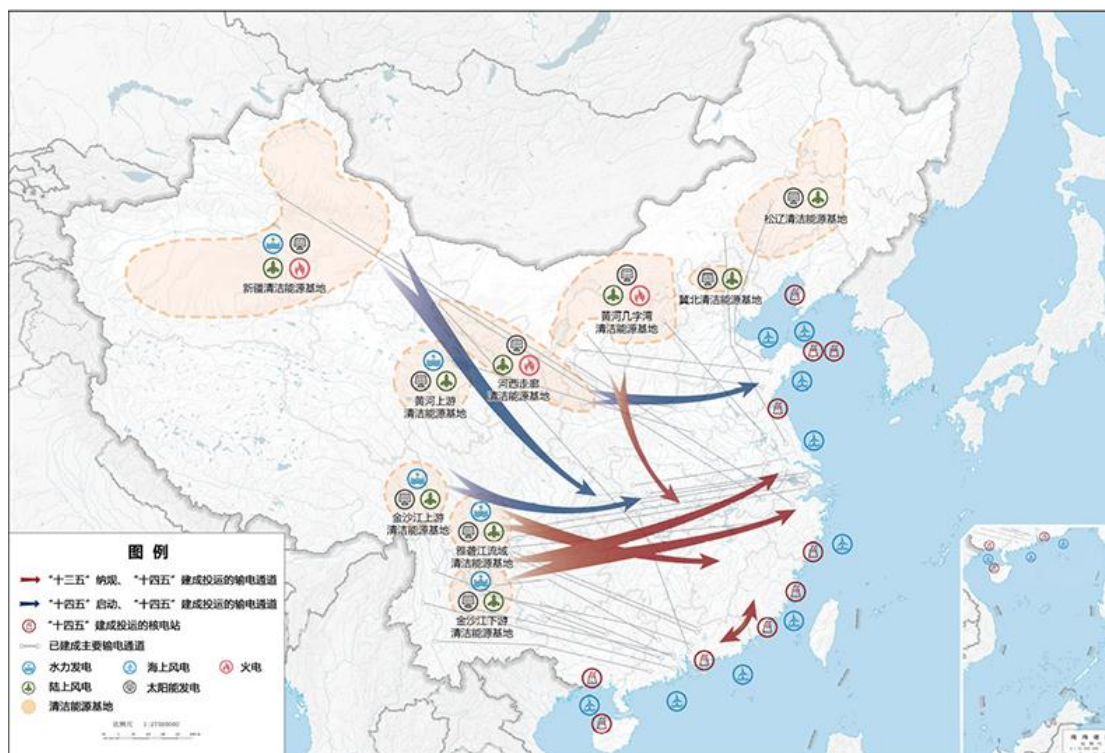


Figure 2. Large Clean Energy Bases Planned for 2021-2025

<sup>1</sup> State Council Information Office: *Responding to Climate Change: China's Policies and Actions*, October 27, 2021, <http://www.scio.gov.cn/zfbps/32832/Document/1715491/1715491.htm>.

<sup>2</sup> The 14th Five-year Plan for Economic and Social Development and Long-range Objectives through the Year 2035 of the People's Republic of China, Xinhua News Agency, March 13, 2021, [http://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm).



“Achieving peak carbon emissions and carbon neutrality will bring an extensive and profound revolution to the economy and society, which will be included into China’s overall plan for building an eco-civilization.”<sup>1</sup> As a member of the global village, China will take concrete actions to address climate change, and make every effort to fulfil its promise of peaking carbon dioxide emissions and achieving carbon neutrality.

### **(5) China’s proposal: a green Silk Road**

Green symbolizes life and nature. It is the foundation of a happy life and the wish of the people.

China promotes green, low-carbon, circular and sustainable approaches to work and life and shares with others its experience in building an eco-civilization. It is increasing eco-environmental cooperation and working to strengthen global environmental governance and build a green Silk Road.

Building a green Silk Road is part of the plans by the Chinese leadership headed by Xi Jinping to build a global community of shared future. It is an effective measure to promote the Belt and Road Initiative (BRI).

To further this inspiring idea, China has initiated a Belt and Road partnership on green development with 28 other countries. Cooperation outcomes include the establishment of the BRI International Green Development Coalition and the release of the Green Investment Principles for the Belt and Road. China has announced that it will step up support for other developing countries in developing green and low-carbon energy, and that it will stop building new coal-fired power projects abroad. This represents a clear statement in advancing green BRI cooperation, and injects new impetus into global environmental governance synergy and the UN 2030 Agenda for Sustainable Development.

On April 25 2019, during the Second Belt and Road Forum for International Cooperation (BRF) in Beijing, China hosted a thematic forum on green development. The participants from around the world shared their ideas and experience in promoting eco-environmental conservation and green development.

### **Green development**

The BRI promotes both economic prosperity and green development. Green development is the goal of all countries. In 2015, China issued a white paper entitled *Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st-Century Maritime Silk Road*, which highlighted the ideas of environmental conservation and further cooperation on eco-environment, biodiversity and climate change.

At the Asia and Pacific High-level Conference on Belt and Road Cooperation held in June 2021, China and 28 other countries initiated a Belt and Road partnership

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<sup>1</sup> Xi Jinping’s speech at the ninth meeting of the Central Financial and Economic Commission, March 15, 2021, [http://m.xinhuanet.com/2021-03/15/c\\_1127214324.htm](http://m.xinhuanet.com/2021-03/15/c_1127214324.htm).

on green development, and called for international cooperation on green, sustainable development.

Since Xi Jinping proposed the idea of a green Silk Road, positive progress has been made in green development under the BRI framework. More mechanisms have been built for pragmatic cooperation. China is becoming an important participant, contributor, and leader in building an eco-civilization around the world.

### **Cooperation on green production capacity**

International cooperation helps with industrial capacity building, transfer and improvement. This kind of market-oriented cooperation is often needed to improve manufacturing, infrastructure, and energy resource development, through such means as direct investment, project contracting, trade in equipment, and technological cooperation.

In building a green Silk Road, cooperation on wind and solar power, energy storage, and smart power grid is very welcome. The introduction and sharing of advanced, efficient, and clean technologies and equipment will help build green industrial chains along the Belt and Road routes.

China has established mechanisms for cooperation on industrial capacity with 38 countries, third-party markets with 10 developed countries, and multilateral cooperation on production capacity with ASEAN and other regional organizations.

### **Green infrastructure**

Infrastructure connectivity is a priority area of BRI cooperation. Sustainable infrastructure is very important in such cooperation.

Efforts are needed to guide enterprises to apply green and environment-friendly standards and best practices, choose rational routes and sites in the design phase, minimize any impact on protected areas and environmentally fragile zones, conduct sound environment impact assessments, and adopt eco-environmental protection measures in both construction and operation, so as to ensure green, low-carbon practices through the whole process of infrastructure operation, management and maintenance. In undertaking overseas infrastructure projects, enterprises are also encouraged to follow energy-efficient and water-saving standards, control their waste of materials, energy and water, raise the rate of resource utilization, reduce the discharge of wastes, and properly dispose of their waste.

## **(6) A Beautiful China**

China will realize basic modernization by 2035. The eco-environment will have taken a fundamental change for the better, green ways of work and life will be extensively adopted, and carbon emissions will keep decreasing after the peak in around 2030. The goal of building a Beautiful China will be basically attained.

## Eco-civilization

The 14th Five-year Plan for Economic and Social Development and Long-range Objectives through the Year 2035 sets new targets for building an eco-civilization. In October 2021, China hosted the 15th meeting of the Conference of the Parties to the Convention on Biological Diversity, at which it discussed new strategies for global biodiversity governance.

The Chinese government announced that by 2025, the air quality of cities at or above prefecture level would be good or excellent for 87.5% of the year and the proportion of surface water of Grade III or better quality will reach 85%. By 2035, the energy consumption per unit of GDP would fall by 13.5%, carbon dioxide emissions per unit of GDP would drop by 18%, and forest coverage would increase to 24.1%.<sup>1</sup> The eco-environment would keep improving, with a stronger defense for biological security, and the living environment in urban and rural areas would also be significantly improved.

Table 2. Major indicators of economic and social development during the 14th Five-year Plan period

Category	Indicator	2020	2025	Annual average / cumulative	Type of Indicator
Ecological conservation	Reduction of energy consumption per unit of GDP (%)	—	—	13.5	Obligatory
	Reduction of CO <sub>2</sub> emission per unit of GDP	—	—	18	Obligatory
	Proportion of days with good air quality in cities at and above prefecture level (%)	87	87.5	—	Obligatory
	Proportion of surface water of Grade III or better quality (%)	83.4	85	—	Obligatory

## Blueprint for building a Beautiful China

China has become prosperous and strong, and it also wants to become beautiful. The CPC has announced that China will be a great modern socialist country by 2035, which will be prosperous, strong, democratic, culturally advanced, harmonious and beautiful.<sup>2</sup> This means the country will have an advanced economy and culture, full

<sup>1</sup> The 14th Five-year Plan for Economic and Social Development and Long-range Objectives through the Year 2035 of the People's Republic of China, Xinhua News Agency, March 13, 2021, [http://www.gov.cn/xinwen/2021-03/13/content\\_5592681.htm](http://www.gov.cn/xinwen/2021-03/13/content_5592681.htm).

<sup>2</sup> Xi Jinping: *Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for*

democracy, social harmony, and a pleasant, livable eco-environment. So a beautiful country is the goal of both an eco-civilization and socialist modernization. A great modern socialist country will have both advanced material civilization, and pleasant natural landscape, livable living environment, and comfortable production conditions as well.

### A Beautiful China

A Beautiful China will not happen by itself, but will come true through hard work by the Chinese people. To realize this goal, China has written the philosophy of eco-civilization into its Constitution, and included it in the national overall plan.

To this end, fundamental, pioneering and far-sighted efforts have been made: implementing three action plans on air, water and soil pollution prevention and control, solving outstanding environmental problems, increasing protection of the ecosystems, and reforming the system for environmental regulation.

By 2020, the eco-environment had seen significant improvements. The discharge of major pollutants had dropped by a notable margin, and air quality had seen a substantial rise. The air quality of 207 of the 337 cities at or above prefecture level was good or excellent for 87% of the year, and 84.4% of the surface water at monitor locations reached Grade III or better.<sup>1</sup>

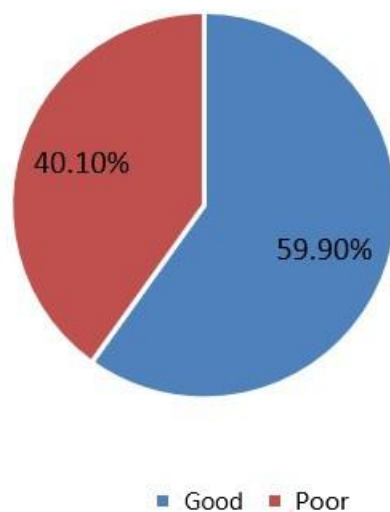
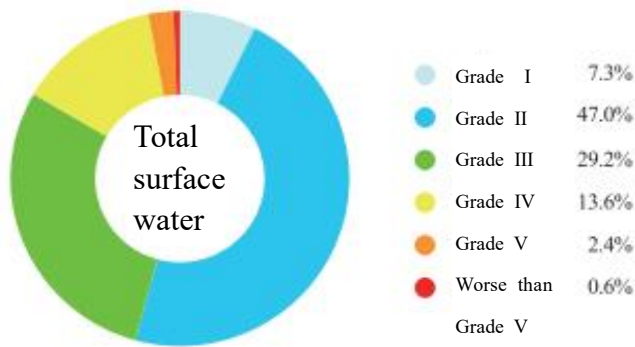


Figure 3. Air Quality of 337 Cities at Prefecture Level or Above

*the Great Success of Socialism with Chinese Characteristics for a New Era: Report to the 19th National Congress of the Communist Party of China*, People's Publishing House, 2017, p29.

<sup>1</sup> Ministry of Ecology and Environment: Report on China's Eco-environment Conditions, May 21, 2021, <https://www.mee.gov.cn/hjzl/sthjzk/zghjzkgb/202105/P020210526572756184785.pdf>.



Source: 2020 Report on China's Eco-environment Conditions  
Figure 4. Quality of Surface Water in 2020

## V. The Chinese Path to Modernization: Peaceful Development

Pursuing development and rejuvenation is a core feature of the Chinese path to modernization.

How will China develop? What kind of country will it become? These are questions of great interest to the international community.

Two thousand years ago, the ancient Chinese sage realized that a warlike state, however big it may be, will eventually perish.<sup>1</sup> History shows that seeking to gain from the turmoil of other countries is not the right path to sustainable coexistence, nor a long-term strategy for peaceful development. The Chinese nation loves peace and is tolerant. The Chinese culture is rich in philosophy on harmony among nations, harmony within diversity, and kindness to others.<sup>2</sup> This tradition of pursuing harmony has determined that China will firmly follow a path of peaceful development.

### (1) The road to take: peaceful development

China has completed in only a few decades a process of industrialization that took centuries in the developed countries. This is a successful case that is worth studying.

The Chinese path to modernization differs from that of the capitalist countries in Europe and America, and that of Japan and the “four tigers” in Asia. China’s has been a twisting path in difficult conditions, and its achievements have drawn worldwide

<sup>1</sup> Xi Jinping: “Joining Hands in Pursuit of Dreams and Regional Prosperity and Stability,” *People’s Daily*, November 18, 2014, p2.

<sup>2</sup> Xi Jinping’s speech at the conference marking the 60th anniversary of the Chinese People’s Association for Friendship with Foreign Countries, May 15, 2014.

attention. Many people want to know how China will achieve its modernization.

To answer their questions, the Information Office of China’s State Council published two white papers on China’s Peaceful Development, one in 2005 and the other in 2011, which emphasized China’s resolve to follow peaceful development. Xi Jinping has on different occasions announced that China will, as always, continue its efforts to safeguard world peace, contribute to global development, and preserve international order.

On December 12, 2018, the 73rd UN General Assembly adopted Resolution A/RES/73/271, which raised China’s contributions from 2019 to 2021 to 12.005%. China thus replaced Japan as the second largest contributor to the UN regular budget, next only to the US (22%). This assessment was 7.79 times greater than China’s payment in 1972, the second year after its lawful seat was restored in the UN <sup>1</sup>

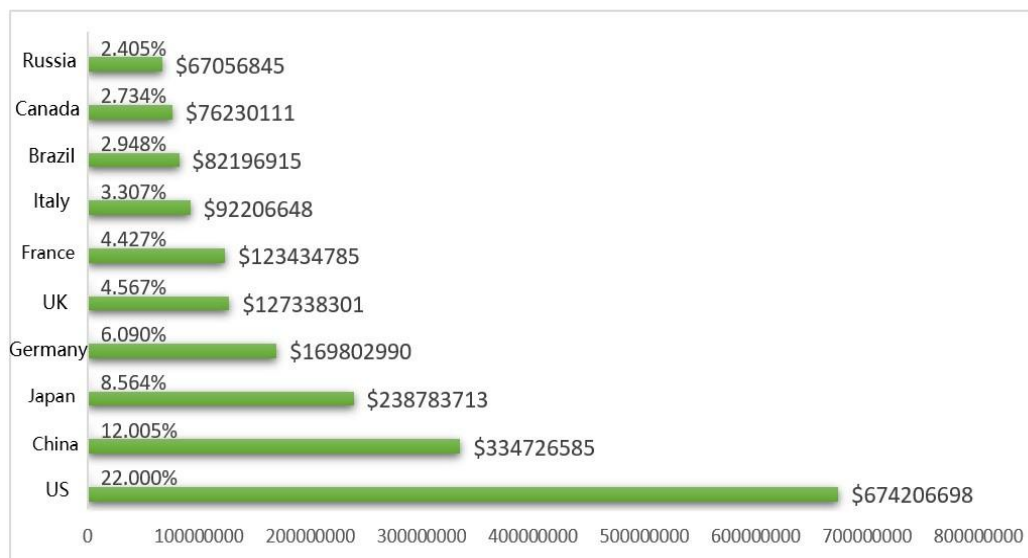


Figure 1. Top Ten UN Members Paying the Most Assessments in 2019<sup>2</sup>



Figure 2. China’s Contributions to the UN; 2005-2019<sup>3</sup>

<sup>1</sup> Zhang Yidan: “After China Becomes the Second Largest UN Contributor,” *World Affairs*, Issue 11, 2019.

<sup>2</sup> Based on public data.

<sup>3</sup> Based on public data.



### Chinese culture of harmony

Since ancient times, the Chinese people have cherished harmony, pursuing harmony with other nations and harmony without uniformity.

For example, during the Qin (221-206 BCE) and the Han (206 BCE-220 CE) dynasties, a defensive strategy was followed in handling relations with other nations. The ancient Chinese diplomatic system was established during the Han Dynasty. With a strong Confucian influence, this system sought conciliation and mutual benefit.

Zhu Yuanzhang, founder of the Ming Dynasty (1368-1644), believed that treating all countries fairly displayed China's strength.<sup>1</sup> Six hundred years ago, Chinese navigator Zheng He made seven voyages to the Western Ocean (Indian Ocean), leading the strongest fleets in the world. He and his fleets visited more than 30 Asian and African countries, bringing with them tea, porcelain, silk and handicrafts. They did not occupy an inch of land of these places.<sup>2</sup> Wherever they went, they conducted fair trade and cultural exchanges with the local people for mutual benefit, and spread the seeds of peace and friendship instead of seeking economic dominion.<sup>3</sup>

Xi Jinping has more than once pointed out that the Chinese nation does not carry aggressive or hegemonic traits in its genes.

### Independent foreign policy of peace

National conditions determine the direction to follow. Deng Xiaoping said, "China's affairs should be run according to China's specific conditions and by the Chinese people themselves. Independence and self-reliance have always been and will always be their basic stance."

China has maintained its independence in diplomacy, even during the Cold War period when it followed a strategy of "leaning to one side" – favoring the socialist countries represented by the Soviet Union – and signed the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance.

Since it was founded in 1949, the People's Republic of China has not provoked a single war or conflict. It has provided assistance to other countries, and supported and helped other developing countries fight poverty. China has become the second largest contributor to the peacekeeping budget of the UN, and the largest troop contributor among the permanent members of the UN Security Council.

China shared \$500 billion (15.22%) of the UN peace-keeping cost from 2019 to 2021, compared with 10.2% in the three-year assessment cycle from 2016 to 2018.

Since the late 1970s, China has scaled new heights in the economy, science and technology, and composite national strength. In 2021, its economic aggregate exceeded 114 trillion yuan, up 8.1% year on year and doubling the value in 2012.<sup>4</sup>

<sup>1</sup> John King Fairbank: *The Chinese World Order: Traditional China's Foreign Relations*, Chin., China Social Sciences Press, 2010, p47.

<sup>2</sup> State Council Information Office: *China's Path of Peaceful Development*, December 2005.

<sup>3</sup> Xie Wenjuan: "Historical background and contemporary conditions for a global community of shared future," *Henan Normal University Journal* (Philosophy and Social Sciences Edition), Issue 5, Vol. 43, 2016.

<sup>4</sup> "Economic catch phrases depict a rising curve of China's economy," March 2, 2022, [http://www.news.cn/2022-03/02/c\\_1128430311.htm](http://www.news.cn/2022-03/02/c_1128430311.htm).

Peaceful development is the only way for China to realize national rejuvenation.

### **(2) International contacts: a new form of international relations**

One of the most striking phenomena of the 21st century is China's emergence as a country with increasing global influence that plays a key role in international economic, political and security affairs.

From the perspective of power transfer, there is a body of opinion among scholars that China's rise will inevitably result in conflict with other strong countries. The Thucydides trap put forward by Graham Allison has caught the most attention.

Since 2012, the Chinese leadership has explored new ways to handle relations with other major countries. What role will China play in global affairs? What foreign policies will it adopt, and what influences may be exercised? To answer these questions, China has come up with a proposal: to develop a new form of international relations based on mutually beneficial cooperation.

This new form of international relations is a new approach to developing state-to-state relations through communication instead of confrontation, and partnership instead of antagonistic blocs.

This idea was first raised by Xi Jinping in March 2013 when he visited Russia, and the core is cooperation for win-win results. In his report to the CPC's 19th National Congress in October 2017, Xi proposed forging a new form of international relations featuring mutual respect, fairness, justice, and win-win cooperation.

This new model differs from previous hierarchical relationships among major countries. Instead of zero-sum games and winner-takes-all, this approach emphasizes mutual benefit and openness, and extends the idea of win-win cooperation into other fields such as politics, the economy, security and culture.<sup>1</sup>

### **A new model of international relations**

A new model of major country relationships is an important component of this new approach to international relations. In late 2012, after the CPC elected its new leadership and US President Barack Obama was reelected, China proposed the idea of building a new model of major country relationship using its relations with the US as an exemplar.

The new model of major country relationship is based on non-conflict and non-confrontation. It is China's top-level design for its major country diplomacy in the new era, and its pursuit of solutions to the Thucydides trap.

The Thucydides trap is a theory based on historical studies that holds that long-term harmonious coexistence has never occurred between an established power

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<sup>1</sup> "Xi Jinping addresses the Central Foreign Affairs Conference," November 29, 2014, [http://www.xinhuanet.com/politics/2014-11/29/c\\_1113457723.htm](http://www.xinhuanet.com/politics/2014-11/29/c_1113457723.htm).

and an emerging power. The examples include Spain and the Netherlands in the 16th century, the Netherlands and Britain in the 17th century, Britain and France in the 18th and 19th centuries, Germany and Britain and France of the 20th century, and the US and the Soviet Union in the post-World War II period. These countries all remained in lengthy confrontation and even went to war.

Many people point to these examples to demonstrate that the US and China cannot escape the Thucydides trap.

However, in contrast to historical examples, objective conditions do exist between the two countries today that may help avoid the occurrence of a similar tragedy. The existence of nuclear weapons makes extensive military conflict impossible, and economic interdependence and the challenge of global issues also means that neither country can afford to recklessly isolate the other and take unilateral actions. Following the new form of international relations offers a new paradigm of contact between the two countries, which will help increase strategic mutual trust and reduce irrational strategic worries.

### **Global partnerships**

Building global partnerships is based on learning the historical lessons from the Cold War and its confrontation between antagonistic blocs.

Since the late 1970s, China has worked to expand the convergence of common interests with other countries and built various partnerships. It has followed a policy of forging partnership since the 1990s. The strategic partnership it established with Brazil in 1993 was the first of its kind. By 2020, China had established various forms of partnership with 112 countries and international organizations, and its global network of partnerships keeps expanding.

China's global partnerships are based on three principles: First, all countries are equal regardless of their size, strength and level of development; Second, these partnerships do not target any third party; and third, the aim of these partnerships is to maximize common interests.<sup>1</sup>

The new model of international relations needs the support of diplomatic partnerships, and the driving force of a global network of cooperation.

### **(3) The principle of global governance: achieving shared growth through discussion and collaboration**

Achieving shared growth through discussion and collaboration should be the basis of global governance against a background of globalization.

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<sup>1</sup> Ministry of Foreign Affairs: "A review of China's diplomatic progress in 2014: Wang Yi's remarks at the opening of a seminar on international situation and China's diplomacy," December 24, 2014, [https://www.fmprc.gov.cn/web/wjzb\\_673089/zyjh\\_673099/t1222375.shtml](https://www.fmprc.gov.cn/web/wjzb_673089/zyjh_673099/t1222375.shtml).

The report to the CPC's 19th National Congress emphasized that China seeks shared growth through discussion and collaboration in global governance. Xi Jinping holds that international rules should be widely recognized, and should not be set by only a few countries. China has never included other countries in its own strategic development trajectory. Instead, it upholds multilateralism and promotes democracy in international relations.

### **Change of a scale unseen in a century**

The world is undergoing tremendous change, on a scale unseen in a century. This is Xi Jinping's assessment of the global situation.

These changes include the following:

Economically, the non-Western countries have a combined economic aggregate of nearly 40% of the world total, and contribute 80% of the world's economic growth. China, alone, has contributed more than 30% annually for over a decade to global economic growth.

In science and technology, the fourth industrial revolution or the intelligence revolution will bring uncertainty to the whole world.

Regarding international institutions, the disintegration and reconstruction of multilateral systems has impacted the international order established after World War II.

In terms of international relations, shifts in Sino-US relations have created global economic and military risks. The trade disputes since 2019 have greatly impacted both economies.

In terms of global governance, as global issues are exacerbating and deficits are increasing, the G20 is becoming a major forum for international economic cooperation and a vital platform for global economic governance.

### **A new approach to global governance**

Following the financial crisis of 2008, the negative impacts of economic globalization have increased, and the Western countries face problems such as social division and economic recession, which have impacted the capacity and efficiency of their democratic governance systems. At the same time, global governance deficits have remained high, and the problems related to cyberspace, the polar regions, outer space and maritime governance all call for diverse players to take action. Who will be responsible for global governance and in what way? These are questions of the times that call for urgent solutions.

A diverse world needs to be governed by diverse players. In line with the principle of global governance – achieving shared growth through discussion and collaboration – all countries, rather than a certain region or a small number of countries, have a role to play in global governance.

As to the question of “how to govern,” since different countries stand at different stages in development, and have different concerns and understanding of

important issues, the principle of common but differentiated responsibilities will work well to ensure equality.

By following the principle of achieving shared growth through discussion and collaboration, global governance will be conducted in an open manner that ensures justice. Non-conventional security threats become transnational and create danger for all of humanity. Countries should transcend their national interests to address the problem of improper responsibility in global governance and build a governance system and world order that are fair, just and effective.<sup>1</sup>

### **(4) Platform for practice: the Belt and Road Initiative**

Since President Xi proposed the Belt and Road Initiative for international cooperation in 2013, substantial efforts have been made to turn a concept into reality through policy coordination, infrastructure connectivity, unimpeded trade, financial integration, and closer people-to-people ties.

By April 2022, China had signed more than 200 agreements with 149 countries and 32 international organizations on BRI cooperation.

### **Cooperation on the Belt and Road Initiative**

Cooperation on the BRI will be guided by the new approach to global governance, bringing together diverse participants and building an open and inclusive world economy. This will help promote a new model of international relations and a global community of shared future.<sup>2</sup>

There are many countries along the land and sea Silk Roads. They vary greatly in level of development, economic scale, culture, and customs, and most of them are developing countries. Their average per capita GDP is only 42.3% of the world's average, and 27 of them are low-income or lower-middle-income countries, reaching only 18.3% of the world's average.<sup>3</sup>

Many countries along the routes are now aligning their own development plans with the BRI. These include Kazakhstan's Bright Road Initiative, Mongolia's Steppe Road Program, and Cambodia's Rectangular Strategy.

This has helped boost trade between China and other Belt and Road countries.<sup>4</sup> Between 2013 and 2020, China's direct investment in the participating countries reached \$139.85 billion.<sup>5</sup> Despite the impact of Covid-19, China's non-financial direct investment in these countries amounted to \$17.8 billion in 2020 and \$20.3 billion in 2021.

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<sup>1</sup> Qin Yaqing and Wei Ling: "New approach to global governance and BRI cooperation," *Foreign Affairs Review (Journal of China Foreign Affairs University)*, Issue 2, 2018.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

<sup>4</sup> Lin Guijun, Guo Longfei and Zhan Jinyong: "The double development dynamic to China's foreign trade and counter-measures," *Intertrade*, Issue 4, 2021.

<sup>5</sup> "Promoting high-quality development under the Belt and Road Initiative," *Chinese Social Sciences Today*, February 25, 2022, <http://fec.mofcom.gov.cn/article/fwydy1/zgzx/202202/20220203282782.shtml>.

China's total trade in goods with these countries has reached \$10.4 trillion. The value in 2021 was 11.6 trillion yuan, up 23.6% year on year and accounting for 29.7% of its total foreign trade volume.

A World Bank report forecast that the BRI would contribute 6.2% of growth in global trade and 2.9% of growth in global income.<sup>1</sup> By 2030, it is estimated that BRI cooperation could help 7.6 million people around the world escape absolute poverty and help 32 million people escape moderate poverty.<sup>2</sup>

### High-quality BRI cooperation

In his keynote speech at the opening of the Second Belt and Road Forum for International Cooperation in April 2019, Xi Jinping called for high-quality BRI cooperation.<sup>3</sup> This will help correct the unbalanced level of development around the world, boost industrial cooperation, and promote sound and sustainable globalization. This cooperation will be people-centered, so that people from all social levels in all countries can benefit. It will also promote open, inclusive and mutually beneficial global governance, and safeguard multilateralism.<sup>4</sup> High-quality cooperation will deliver an open, inclusive environment for the participants and tangible benefits to the peoples in the participating countries and regions.

Despite the rampant Covid-19, BRI projects have continued and relevant trade and investment have kept increasing, bringing hope for the fight against the virus and for global economic recovery.

At the same time, China has continued its assistance to BRI partners. Since 2020, it has provided more than 2.1 billion coronavirus vaccines to more than 120 countries and international organizations.<sup>5</sup> It has called for vaccine cooperation among BRI countries and elsewhere around the world so as to make vaccines more accessible and affordable for BRI countries and other developing countries, and create new opportunities for high-quality BRI cooperation.

## (5) Relations between civilizations: exchanges and mutual learning

Civilizations become richer and more colorful through exchanges and mutual learning, which form an important driver for human progress and global peace and development.

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<sup>1</sup> "Building closer BRI partnerships," *People's Daily*, June 25, 2021, p3.

<sup>2</sup> Yan Yu and Hu Chao: "BRI complies with the trend of economic globalization," *People's Daily* (overseas edition), February 26, 2022, p6.

<sup>3</sup> Xi Jinping: "Working Together to Deliver a Brighter Future for Belt and Road Cooperation: Speech at the opening of the Second Belt and Road Forum for International Cooperation," *Guangming Daily*, April 27, 2019.

<sup>4</sup> Ministry of Foreign Affairs: "High-quality BRI cooperation and the inevitable globalization: speech by Xie Feng at the fifth Hong Kong SAR BRI Summit Forum," November 30, 2020.

<sup>5</sup> 《郭卫民：亿向 120 多个国家和国际组织提供超 21 种疫苗》 Guo Weimin: "China has provided 2.1 billion coronavirus vaccines to over 120 countries and international organizations," March 3, 2022, <https://m.gmw.cn/baijia/2022-03/03/1302829025.html>.



Civilizations come in different colors, and such diversity has made exchanges and mutual learning among civilizations relevant and valuable; civilizations are equal, and such equality has made exchanges and mutual learning among civilizations possible; and civilizations are inclusive, and such inclusiveness has given exchanges and mutual learning among civilizations the impetus to move forward.

To meet our common challenges and create a better future for all, we look to culture and civilization to play their roles, which are as important as the roles played by the economy, and by science and technology. The fine traditional Chinese culture can provide inspiration for the exchanges of world civilizations.

### **Respecting each other and treating each other as equals**

All civilizations are rooted in their unique cultural environment. Each embodies the wisdom and vision of a country or nation, and each is valuable for being unique. What we must do is respect each other as equals and say no to hubris and prejudice. We need a deeper understanding of the differences between our own civilizations and others, and work to promote interaction, dialog and harmony among civilizations.

### **Appreciating the beauty of each civilization and the diversity of civilizations around the world**

Each civilization is the crystallization of human creation, and each is beautiful in its own way. An aspiration for all that is beautiful is common to all humanity, and nothing can hold it back. We should keep our own civilizations dynamic and create conditions for other civilizations to flourish. Together we can make the garden of world civilizations more colorful and vibrant.

### **Staying open and inclusive and drawing on each other's strengths**

Exchanges and mutual learning will sustain civilizations. A civilization can flourish only through exchanges and mutual learning with other civilizations. Such exchanges and mutual learning should be reciprocal, equal, diverse, and multidimensional; they should not be coercive, imposed, one-dimensional, or one-way. We need to be broad-minded and strive to remove all barriers to cultural exchanges. We need to be inclusive and always seek nourishment from other civilizations to promote the common development of civilizations through exchanges and mutual learning.

### **Advancing with the times and exploring new ground**

To sustain a civilization, it must be kept vibrant and build on its heritage from

one generation to the next. More importantly, a civilization needs to adapt itself to the changing times and break new ground. The history of world civilizations tells us that every civilization needs to advance with the times and take in the best of its age in order to progress. We need to come up with new ideas to add impetus and inspiration to our civilizations. Through these efforts we will enable our civilizations to transcend time and space and endure.

The process and trajectory of human history has proved time and again that a civilization, wherever and whenever it germinates, cannot exist and develop in an isolated state. Rather, it has to exchange and interact with other civilizations, which will learn from each other during this process, and each will promote the development of the other. This is true with the relations between the eastern and western civilizations.

### **(6) Future vision: a global community of shared future**

To answer questions about how we can address the issues currently confronting the world, what the future world should look like, and how can we get to that point, President Xi has created a Chinese approach – the vision of building a global community of shared future.

#### **Global risks and challenges**

Speaking at the UN Office at Geneva in 2017, Xi Jinping posed a question: What is happening to the world and how should we respond?

In the world today, global growth is sluggish. In 2020, it was -3.3%. The developed economies shrank by -4.7%, and emerging markets and developing economies by -2.2%.<sup>1</sup> Among G20 members, only China and Turkey reported positive growth.

As the development gap between countries continues to widen, non-conventional security threats – particularly terrorism, refugee crises, climate change, and major communicable diseases – must be addressed through the concerted efforts of all countries. At present, the global number of refugees has reached a historical high since World War II.

Studies show that in the next 20 years, global temperature will increase by 0.42 ~ 1.19°C.<sup>2</sup> In addition to causing the sea level to rise, global warming will impact on grain output, cause water shortages, floods and droughts, and spread diseases. Today, Covid-19 has posed great impact on the world economy, a precursor to further economic division around the world.<sup>3</sup>

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<sup>1</sup> *World Economic Outlook* released by IMF, April 2021, <https://www.imf.org/zh/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>.

<sup>2</sup> Zhao Zongci, Luo Yong and Huang Jianbin: “Will global warming continue in 20 years?” *Advances in Climate Change Research*, Issue 5, Vol. 16, 2020.

<sup>3</sup> *World Economic Outlook* released by IMF, April 2021

# Keywords to Understand the Chinese Path to Modernization

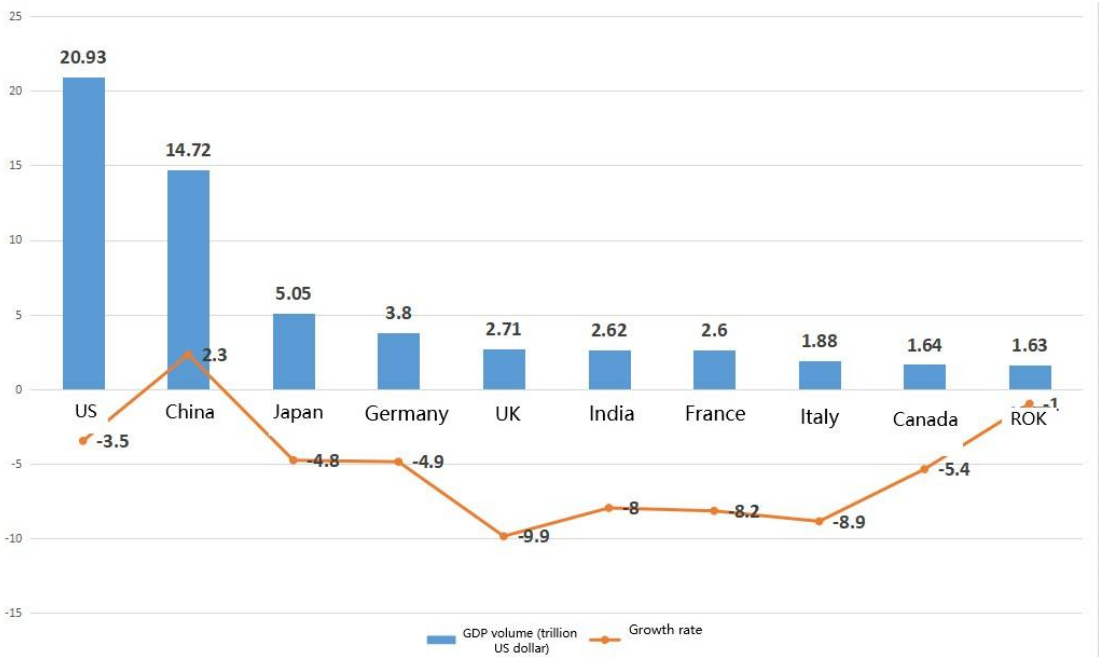


Figure 3. GDP Volume and Growth Rate of the World’s Top 10 Economies in 2020<sup>1</sup>

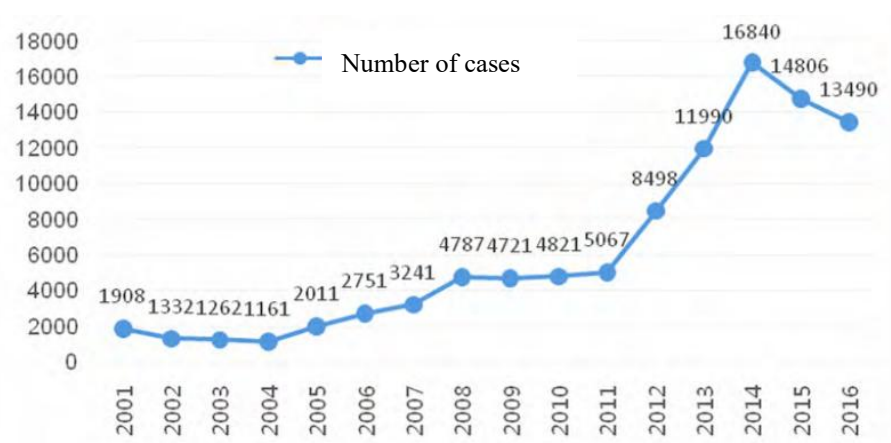


Figure 4. Global Terrorist Attacks During 2001-2016<sup>2</sup>

<sup>1</sup> Based on open data released by World Bank, [https://data.worldbank.org.cn/indicator/NY.GDP.MKTP.CD?end=2020&locations=1W&most\\_recent\\_value\\_desc=true&start=2020&view=map](https://data.worldbank.org.cn/indicator/NY.GDP.MKTP.CD?end=2020&locations=1W&most_recent_value_desc=true&start=2020&view=map).

<sup>2</sup> Wang Qi and Tian Yiming: “GTD analysis of global terrorist activities and China’s counter-measures,” *Chinese Criminology Review*, Issue 2, 2018.

No.	2015			2016		
	Source Country	Number	Proportion	Source Country	Number	Proportion
1	Syria	362730	28.80%	Syria	334800	27.80%
2	Afghanistan	178305	14.20%	Afghanistan	182985	15.19%
3	Iraq	121590	9.70%	Iraq	126955	10.54%
4	Kosovo	66885	9.70%	Kosovo	47595	3.95%
5	Albania	66140	5.30%	Albania	46165	3.83%
6	Pakistan	46520	3.70%	Pakistan	40160	3.33%

Table 1. Source Countries of the Refugees Seeking EU Asylum 2015-2016<sup>1</sup>

## Global Development Initiative

Speaking at the General Debate of the 76th Session of the UN General Assembly on September 21, 2021, Xi Jinping proposed a Global Development Initiative. This was another major public good offered by China to the international community.

Development is a shared aspiration of all, and the key to solving the world's major problems.

From its proposal of the BRI in 2013 to the Global Development Initiative in 2021, China, as a contributor to global development, has offered new ideas for tackling the global issue of development and development deficit.

As the world undergoes change on a scale unseen in a century, coupled with the rampant spread of the coronavirus, many developing countries have seen the pace of their development stutter. Some have even seen regression, and developed countries are also facing new challenges. Progress accumulated around the world over several years is now under grave threat.

Against this background, the Global Development Initiative prioritizes common development, with the goals of creating new driving forces for sustainable development, energizing global partnerships, boosting international cooperation on development, narrowing the north-south gap, and addressing unbalanced development.

## A global community of shared future

The concept of a global community of shared future is China's systematic proposal for responding to global challenges and reforming and improving global governance.

The report to the CPC's 19th National Congress in 2017 called on the peoples of all countries to work together to build a community of shared future for humanity, and to build an open, inclusive, clean, and beautiful world that enjoys lasting peace, universal security, and common prosperity. This concept covers politics, security, culture, the economy, and the eco-environment, and it represents the development of

<sup>1</sup> Song Quancheng: "Features and causes of European refugee crisis in 2016: a study of 2015-2016 Eurostat and German data on refugees and migrants," *Deutschland-Studien*, Issue 3, Vol. 32, 2017.

Marxism in the new era.

From Latin America to the Middle East, from BRICS countries to the UN, from eco-environmental conservation to digital governance, progress has been made in various fields towards building a global community of shared future. This vision has appeared in the UN General Assembly resolutions for the last five years, building a new global trend in human progress.

The vision encourages countries to appreciate the beauty of every civilization and the diversity of civilizations in the world. This means that while pursuing their own interests, countries should accommodate the concerns of others. As all countries are interconnected, they need to transcend the limitations of nations, cultures and ideologies, and work together to build a home of all humanity.

### **Conclusion**

Every country has its own path to modernization based on its national conditions. The Chinese path is pioneered by the CPC and the Chinese people based on China's culture, national conditions, and current realities and in the face of enormous obstacles. They have achieved results that have left their mark on the world through self-reliance and hard work.

The Chinese path to modernization is pursued under socialism with Chinese features. It is people-centered modernization. The CPC's commitment to people-centered development is the key to the success of China's modernization. This path complies with the laws governing human progress and reflects the fundamental interests of the people around the world. It has enriched the world's toolbox to modernization and foretells a bright future for human society.

History has proven that this path of China is the correct path that works and the sure path that pays off. This path will lead to the rejuvenation of the Chinese nation. It will enable China to make greater contribution to human progress and global development in the new era.

Today, China is already on the journey toward fully building a modern socialist country. It has every confidence in advancing its modernization and satisfying the people's desire for a better life. It will make new contribution to building a global community of shared future with common prosperity.



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