

Chapter 4

2050 China: Strategic Goals and Two Stages



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

Xi Jinping (2017).

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

Xi Jinping (2017).

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

Xi Jinping (2017).

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

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

¹Xi (2017).

²Zhang (2017a).

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

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

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

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

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

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

³Xi (2017).

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

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

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

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

⁴Hu (2012).

⁵Kohli et al. (2012).

4.2 China: Realization of Modernization

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

4.2.1 Economic Construction

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

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

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

Note This table is calculated based on 2015 prices

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

⁶Zhang (2017a).

⁷Ibid.

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

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

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

Note PPP is calculated based on the 2011 international dollar price

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.2.2 *Political Construction*

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

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

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

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

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

4.2.3 Cultural Construction

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

4.2.4 People's Livelihoods and Social Advancement

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

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

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

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

Table 4.5 Predicted Human Development Index (2015–2035)

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

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

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

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

Note Data source, see Appendix 2 in this book

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

4.2.5 Ecological Civilization

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

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

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

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

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

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

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

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

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

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

4.2.6 Construction of National Defense and Armed Forces

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

4.3 2050 China: Comprehensively Building a Great Modern Socialist Country

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

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

¹⁵Xu (2017).

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

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

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

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

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

¹⁶Xi (2017).

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

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

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

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

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

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

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

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

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

²¹Xi (2015).

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

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

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

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²²Zhang (2017b).

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