

Translation



The following is the text of a speech that Chinese President Xi Jinping delivered to a symposium of economists and sociologists in August 2020, which he had convened to solicit input for China's upcoming 14th Five-Year Plan. In his remarks, Xi emphasizes the importance of reducing the Chinese economy's dependence on foreign markets, although he insists that China's opening up to the world will continue, and will include cooperation with U.S. state and local governments and U.S. companies. Xi concludes by reminding his audience to study Marxist economic theory.

Title

(Authorized Release) Xi Jinping: Speech at the Symposium of Experts in Economic and Social Fields
(授权发布) 习近平：在经济社会领域专家座谈会上的讲话

Author

Xi Jinping (习近平)

Source

Xinhua News Agency (新华社), August 24, 2020. Xinhua is China's state press agency.

The Chinese source text is available online at:

https://web.archive.org/web/20200908034042/http://www.xinhuanet.com/politics/leaders/2020-08/24/c_1126407772.htm

Translation Date

September 24, 2020

Translator

Etcetera Language Group, Inc.

Editor

Ben Murphy, CSET Translation Lead

Today, we are holding this symposium of experts from the economic and social fields with the hope of collecting suggestions and advice about the devising of the “14th Five-Year Plan.” Present at the symposium today are both economists and sociologists. We just heard enlightening speeches from experts and scholars. Each speech was rooted in his or her own field of specialization, providing us with valuable advice and suggestions about the environment, approach, objectives and measures of the “14th Five-Year Plan.” I am very much inspired. There are other experts who have submitted their opinions in writing. Relevant organs and offices, please consider and take heed. Now, I will briefly talk about correctly identifying and managing key issues in mid- and long-term economic and social development.

The use of medium- and long-term plans to guide economic and social development is an important approach that the Chinese Communist Party (CCP) employs to manage the country. Since 1953, we have devised and implemented 13 Five-Year Plans, 8 of which have taken place since the beginning of reform and opening up, effectively boosting economic and social development, China's overall strength and the Chinese people's quality of life. The rapid economic growth and prolonged social stability that has been achieved is nothing short of a miracle, rarely seen anywhere in the world. As proven in practice, mid- and long-term

development plans can sufficiently utilize the market as a critical means of resource allocation, and can better enable the role of government.

The period of the “14th Five Year Plan” marks the realization of forming a well-off society in an all-round way, and the fruition of our first centennial objective.¹ It marks the full-on start of a new journey, of building a modernized socialist country (社会主义现代化国家). This is the first Five-Year Plan toward our next centennial goal in which China will adapt to a new phase of development. Only the prepared shall go far. We must have a long-term vision, grasp overall trends, and encourage and widely adopt advice to analyze new situations and develop new plans.

First, opportunities and challenges in the new phase of development must be discussed in a dialectical context. Since the 19th Party Congress, I have mentioned multiple times that the world as we know is facing significant changes never seen before in the past century. Said changes are being accelerated by the raging pandemic of COVID-19. Protectionism and unilateralism are on the rise, while the world economy dives low. Production chains worldwide are challenged by non-economic factors. The international economy, technology, culture, security and politics are undergoing fundamental shifts in many ways. The world is entering into a time of turbulence and transformation. For a while, we will face an external environment with more adverse forces. Therefore, we must be prepared for a series of new risks and challenges.

Meanwhile, domestic development is undergoing significant changes as well. Currently we are prioritizing our quality of development. The main contradiction in society today is the one between the people's steadily increasing demands for good quality of life on the one hand and imbalanced and insufficient development on the other. Our per capita GDP is now over US\$10,000. With an urbanization rate of over 60% and over 400 million people in the middle-income bracket, the demand for good quality of life is ever increasing. We have many advantages for further development, including remarkable institutional superiority, improved administrative efficiency, sustained economic growth, rich industrial and labor resources, vast market volume, great flexibility and a stable society. However, on the other hand, the lack of balance and sufficiency in our development is still outstanding. Our capacity for innovation is not enough to support development of high quality. The agricultural base is relatively weak. The disparity of development and income distribution between rural and urban regions remains stark. There is more to be done in environmental protection, social security and social management.

In sum, we have entered a new stage of development. Deep-seated changes to the international and domestic environments will bring new opportunities, as well new challenges. With the right approach, challenges can be turned into opportunities. We must be dialectical in identifying and approaching trends, both international and domestic, to navigate the strategy of the great rejuvenation of the Chinese nation (中华民族伟大复兴战略) and a rapidly shifting

¹ Translator's note: The Party's current (as of 2017) formulation of the "two centennial objectives" (两个一百年奋斗目标) is: (1) Form a well-off society in an all-round way (全面建成小康社会) by the centennial (2021) of the founding of the CCP; (2) establish a rich, strong, democratic, civilized, harmonious, beautiful modernized socialist superpower (社会主义现代化强国) by the centennial (2049) of the founding of the PRC.

world. The new most pressing conflict presents new characteristics and demands. A highly complicated international society creates new challenges. We must firmly grasp these factors, and be more aware of opportunities and risks. Our objective is to continue development in a more efficient, fair, sustainable, safe and quality-over-quantity way. For that, we have to accurately and soundly identify and adapt to changes, or even actively make changes. As I have just said, challenges may be turned into opportunities, and we must bravely embrace risks.

Second, we must construct a new development pattern that prioritizes domestic economic circulation (国金经济循环). Since the beginning of this year, I have repeatedly spoken about advancing the formation of a new development pattern that takes domestic circulation as the mainstay and in which domestic and international dual circulation (双循环) are mutually reinforcing. This idea is based on China's current stage, environment and conditions of development. It is a strategic choice to reconstruct China's international cooperation and competition to give ourselves a new advantage. As the external environment and the essential factors and natural advantages of China's development have changed in recent years, international circulation, powered by markets and resources overseas, is visibly faltering. As China's domestic demand continues to grow, our domestic circulation daily grows more robust. Objectively, the trend is that as international circulation weakens, domestic circulation strengthens. Much theoretical debate has been conducted regarding this objective phenomenon. We may further such research, and distill insights.

Since the global financial crisis in 2008, China's economy has been moving toward making domestic circulation the mainstay. The ratio of current account surplus against GDP has decreased from 9.9% in 2007 to less than 1%, where it stands now. The contribution of domestic demand to economic growth has surpassed 100% in 7 years. The pattern of domestic economic circulation propelled by the domestic market will be even clearer in the future. The potential of domestic demand will continue to manifest in the form of economic growth. Therefore, we must adhere to the strategy of supply-side structural reform. Increasing domestic demand shall be a base point to shift production, distribution, circulation, and consumption further toward the domestic market. The supply system must be more adaptive to domestic demand, forming a higher-quality dynamic equilibrium in which demand leads supply, while supply in turn creates more demand.

The new development pattern is by no means a closed domestic loop, but an open dual circulation that involves both the domestic and foreign markets. As China's economic power increases, there will be closer ties with world economies. China will provide more market opportunities for other countries, and in doing that, we will create an enormous gravitational force for international commodities and key resources.

Third, we must power new development with scientific and technological innovation. To achieve high-quality development, we must achieve quality-oriented growth (内涵型发展) driven by a reliance on innovation. We must work hard to bolster our independent innovation (自主创新) capacity, to make rapid breakthroughs in key and core technologies. This is not only a major issue concerning China's development situation, but also is the key to forming a system in which domestic circulation is the mainstay.

We must bring into fully play the obvious advantage of China's socialist system, namely its ability to focus effort on undertaking daunting tasks, and do a good job in the fierce battle for key and core technologies. China has a gigantic market and full-fledged industrial system, which is a unique advantage to foster massive application and rapid iteration of new technologies. With such strength, we are able to accelerate the conversion of S&T achievements into real productive forces, and to improve and protect the security of our production chain. Enterprises must be recognized and supported as the leading force of technological innovation, driving the integration of innovation and the commercialization of S&T achievements. There must be an innovation ecosystem that closely integrates technology, education, industry, and financing. Basic research is the very basis of innovation, and hence deserves increased investment. To lay the foundation for building China into an S&T superpower (科技强国), we must encourage long-term persistence and bold exploration. We must train our own world-class talents and scientific research teams, while also recruiting them internationally. The reform of scientific research organizations must go even further to motivate scientific researchers to the maximum extent, therefore improving the efficiency of S&T output. We must adopt an open approach to innovation by increasing international exchange and cooperation.

Fourth, spur new vitality in development by deepening reform. Reform is the key to unleashing and cultivating social productive forces, and the fundamental drive for a country's development. China's reforms have been underway for over 40 years. The ongoing reform has led to great achievements recognized by the entire world. Society is continuously developing. The structures and mechanisms that regulate social relations and activities must, accordingly, be continuously improved. This is the only way to continuously meet the requirement to liberate and develop social productive forces.

We are entering into a new stage of development where reform will face new tasks. We must delve even deeper into the existing system and remove underlying obstacles with great courage, to uphold and perfect the system of socialism with Chinese characteristics and to modernize our national governance structure and governance capability. We must defend and correct (守正) innovation, break new ground in innovation, and boldly seek out our own future development path. We must uphold and perfect the basic economic system of socialism, to better enable the market to play the deciding role in resource allocation, and better utilize the role of government. By doing so, we will create an institutional environment that is stable and predictable over a long term. There are other objectives in fully mobilizing all factors beneficial to the development of social productive forces, including enhanced protection of property and intellectual property rights, building a market system to high standards, perfecting the system for fair competition, and stimulating the development and vitality of the market.

Fifth, we must create new advantages for ourselves in international cooperation and competition through high-quality opening up to the outside (对外开放). As of now, international society is much concerned about the outlook for economic globalization. However, we believe that communication and exchange among countries remains an objective need for the development of the world economy. An important driver for China's sustained and rapid economic development has been opening up to the outside. Opening up to the outside is

a fundamental state policy. We must comprehensively elevate our level of opening up to the outside, create a better open economic system, and form new advantages for ourselves in international cooperation and competition. We must actively participate in the reform of the global economic governance structure, to promote an improved, fairer and reasonable international economic governance structure.

Specifically, at the moment, we need to pay attention to two points in further opening up to the outside. 1) There must be a comprehensive, multi-layered, diverse cooperation framework. To achieve that, we must work with any country, region, or enterprise that is willing to work with us, including individual states, localities, and companies in the United States. 2) The more we open up, the more we must stress security, and the better we must plan for both development and security. We must focus on strengthening our own ability to compete, our ability to supervise and manage opening up, and our ability to prevent and control risks. We must steel ourselves to be invulnerable.

Sixth, we must open up a new vista in social development through mutual construction, mutual governance, and mutual enjoyment (共建共治共享). It is a fact that there are just as many problems associated with development as there are with not developing. China's social structure is undergoing profound change. The Internet is reshaping how people interact with one another. Consequently, China's social norms, mentalities and activities are undergoing profound change. During the period of the 14th Five-Year Plan, the questions of how to adapt to these profound changes to the social structure, social relations, forms of social behavior, social mentality, and so on, how to achieve fuller and higher-quality employment, how to build an all-encompassing and sustainable social security system, how to strengthen the public health and disease control system, how to promote long-term, balanced population development, how to strengthen social governance, how to solve social contradictions, and how to maintain social stability will all require diligent study and new work arrangements.

A modernized society should be one of abundant vitality and good order, featuring the organic unity of vitality and order. So, we must build a social governance system based on the philosophy of mutual construction, mutual governance, and mutual enjoyment. There should be positive synergy among government administration, social conditioning, and citizen self-discipline and goodness. Social governance is in fact a unity, where every individual has his or her share of responsibility, the fulfillment of which establishes an ownership to the outcome. Hence improvement and innovation in grassroots social governance is critical. If every member of society is healthy and invigorated, conflicts and disputes will be resolved at the grassroots level, ultimately leading to a harmonious and stable society built from bottom up. We must give greater emphasis to maintaining social fairness and justice, and to promoting people's comprehensive development and the comprehensive advancement of society.

The above are points I want to present, about mid- and long-term socioeconomic development and other issues. I hope everyone reflects deeply on them, and achieves further research achievements related to them.

On November 23, 2015, when I chaired the 28th collective study session of the 18th CPC Central Committee Politburo, I made a speech about research on Marxist political economy (政治经济学). The speech was recently published in *Qiushi* magazine. Friedrich Engels pointed out, for a proletarian political party, "all theory derives from research on political economy." Lenin saw political economy as the "deepest, most comprehensive, and most detailed proof and application" of Marxism. We shall utilize Marxist methodologies to deepen our understanding about patterns in China's economic development, and in so doing, improve our capability to lead economic development.

Theories are derived from practice. On the other hand, they also guide practice. Since the beginning of reform and opening up, we have been perfecting our theories by distilling insights from the latest practice in a timely fashion. In the process, we made many important judgments on a series of critical topics, such as the vision of development, the ownership system, distribution systems, government responsibilities, market mechanisms, macroscopic readjustment and control, the industry structure, corporate governance structures, social security, and social management. Specific examples are abundant. We formulated theories about the nature of socialism; about the basic economic system for the initial stage of socialism; about innovative, coordinated, green, open, and mutually beneficial development; about developing a socialist market economy to allow the market to play the deciding role in the allocation of resources and to improve the role of the government in it; about China's economic development entering a new normal and facilitating quality-oriented economic growth through deepened supply-side structural reforms; about the synchronized development and regional adjustment of new industrialization, informatization (信息化), urbanization, and agricultural modernization; about allowing farmers to assume the ownership, contracting rights, and operating rights to land; about utilizing domestic and international markets and resources; about accelerating the formation of a new development pattern with domestic circulation as the mainstay and in which domestic and international dual circulation are mutually reinforcing; about increasing social justice and fairness and gradually realizing the collective prosperity of all of the people; about coordinated development and security, and so on. These theories effectively guided our practice of economic development, and expanded the frontier of Marxist political economy.

Contemporary subjects are the driving force behind theoretical innovation. Karl Marx, Friedrich Engels, and Lenin all pushed forward theoretical innovation by contemplating and resolving the issues of their day. Today, in a turbulent world where economies rise and fall, successfully piloting the ship that is China's economy is a significant challenge that our party must meet. Facing complicated domestic and international economic trends, as well as myriad economic phenomena, we must study and grasp the fundamentals and methodologies of Marxist political economy. This will benefit us in mastering scientific economic analysis methodology, in recognizing economic movements and processes, in grasping the laws of economic development, in enhancing our ability to pilot the socialist market economy, and in correctly answering theoretical and practical questions in China's economic development. In this new era of reform and opening up and socialist modernization construction, we have accumulated rich experience from practice. It's fair to say that Chinese theoretical workers in

the economic and social domains have a "rich vein" to mine. So, please let me end this speech with several hopes of mine. One, start from China's national conditions. Start from China's experience, and end with China's experience. Write your papers on the expansive terrain of the motherland, make your theoretical and policy innovation fit China's reality and have Chinese characteristics, and continuously develop political economy and sociology for socialism with Chinese characteristics. Two, delve deep. Investigate facts as they are, devise actionable solutions, and fully reflect reality. Theoretical and policy innovation must be firmly based on facts, and be reasonable. Three, grasp natural laws, and persist in Marxist standpoints, views and methods. Penetrate through to the essence of phenomena, and amid short-term fluctuations investigate long-term trends. Make theoretical and policy innovation embody science and the cutting edge. Four, have an international outlook. Look for common issues related to the entire human civilization from interactions between China and the world. Contribute Chinese wisdom and solutions to the building of a community with a shared future for mankind.