

Explanation of the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization

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Comrades,

On behalf of the Political Bureau of the Central Committee, I will now brief you on the drafting of the Resolution of the Central Committee of the Communist Party of China on Further Deepening Reform Comprehensively to Advance Chinese Modernization.

I. Considerations on the Agenda of the Third Plenary Session of the 20th Central Committee of the Communist Party of China (CPC)

Making reform plans and arrangements with a focus on our central task has constituted a successful experience for our Party in leading reform and opening up. In light of both practical experience and actual needs, the Political Bureau of the CPC Central Committee decided that the third plenary session of the 20th CPC Central Committee would study the issue of further deepening reform comprehensively to advance Chinese modernization. There is a pressing need for this, given the following considerations:

First, we need to rally support and pool strength to complete the Party's central task on the new journey in the new era.

The evidence conclusively proves that in the new period of reform, opening up, and socialist modernization, it was reform and opening up that enabled China to catch up with the times in great strides. Since the Party's 18th National Congress, it has also been reform and opening up that has ensured historic achievements and changes in the cause of the Party and the country. Therefore, if we are to break new ground in advancing Chinese modernization on the new journey in the new era, we must continue to rely on reform and opening up.

The Party's 20th National Congress established that the Party's central task is to realize the Second Centenary Goal of building China into a great modern socialist country in all respects and to advance the rejuvenation of the Chinese nation on all fronts through Chinese modernization. At the Congress, we elaborated on the distinctive features, essential requirements, and major principles of Chinese modernization and made strategic plans for advancing Chinese modernization. At the fundamental level, to translate these strategic plans into action and turn the vision of Chinese modernization into reality,

we must further deepen reform comprehensively and keep working to improve the systems and mechanisms across all sectors, so as to provide institutional support for advancing Chinese modernization.

Second, we need to improve and develop the system of socialism with Chinese characteristics and modernize China's system and capacity for governance.

Following the Party's 18th National Congress, we improved systems in various sectors by comprehensively deepening reforms, with a focus on institution building. As a result, the socialist system with Chinese characteristics was made more mature and better-defined, and China's system and capacity for governance were further modernized. This provided strong institutional support for building a moderately prosperous society in all respects.

Yet, we must be keenly aware that improving the socialist system with Chinese characteristics is a dynamic process, which will inevitably evolve with advances in practice. During this process, we need to constantly improve existing institutions and work on promoting institutional innovations and filling institutional gaps in new areas and for new practices. In the face of new developments and tasks, we must further deepen reform comprehensively to continue refining institutions and mechanisms in various sectors, so as to help consolidate foundations, leverage strengths, and shore up areas of weakness. This will enable us to better translate our country's institutional strengths into effective governance.

Third, we need to promote high-quality development and better respond to the evolution of the principal contradiction in Chinese society.

At present, unbalanced and inadequate development remains a pronounced problem in promoting China's high-quality development. For example, the market system still needs improvement; the market itself is not adequately developed; the relationship between the government and the market needs to be further straightened out; our innovation capacity falls short of the requirements for high-quality development; the industrial system, while large in size and extensive in scope, is not yet strong or sophisticated enough; the over-reliance on key and core technologies controlled by others has not been fundamentally changed; the foundations of agriculture need to be further strengthened; wide gaps persist in development and income distribution between urban and rural areas and between regions; and weak links remain in improving the people's wellbeing and protecting the ecological environment. In essence, all of these challenges reflect the evolution of the principal contradiction in Chinese society and are the result of ongoing development. It is essential that they are addressed by further deepening reform comprehensively on an institutional basis.

Fourth, we need to deal with major risks and challenges and secure steady and sustained progress in the cause of the Party and the country.

Advancing Chinese modernization is a whole new endeavor. On the journey ahead, we will inevitably be confronted with problems, risks, and

challenges. In particular, momentous changes of a magnitude not seen in a century are accelerating across the world, regional conflicts and disturbances keep cropping up, global issues are becoming more acute, and external attempts to suppress and contain China are escalating. China has entered a period in which strategic opportunities, risks, and challenges coexist and uncertainties and unpredictability are rising. Various “black swan” and “gray rhino” events have the potential to occur at any time. To effectively deal with these risks and challenges and seize the strategic initiative amid intensifying international competition, we need to further deepen reform comprehensively, so that we can create sound institutions to prevent and defuse risks and respond to challenges, strive to foster new opportunities amid crises, and break new ground amid the changing landscape.

II. The Drafting Process

In November 2023, the Political Bureau decided that a document drafting group would be established for the third plenary session of the 20th Central Committee under the auspices of the Political Bureau’s Standing Committee. I am chief of this group, and my colleagues Wang Huning, Cai Qi, and Ding Xuexiang serve as its deputy chiefs. The drafting work started following our first meeting on December 8. Over the past seven months or so, we carried out thorough surveys and studies, extensively solicited opinions, conducted debates on major topics, held multiple discussions, and revised the draft many times.

In drafting the document, we focused on the following priorities:

First, we laid down the principles to adhere to and ensured the right political orientation on the basis of reviewing and applying the valuable experience we have gained since the launch of reform and opening up, particularly from our endeavor to comprehensively deepen reform in the new era.

Second, we stuck to a problem-oriented approach and worked out plans for further deepening reform comprehensively with a focus on advancing Chinese modernization and on implementing the major strategic plans set out at the Party’s 20th National Congress.

Third, we sorted out our priorities. We have prioritized institutional reform, reforms of strategic and overarching importance, and the leading role of economic structural reform, thus underscoring the guidance of reform measures.

Fourth, we adhered to the principle of putting the people first to see that reforms are designed and advanced with the overall, fundamental, and long-term interests of the people in mind.

Fifth, we made overarching, integrated, and systematic plans to ensure that reforms in different sectors work in concert and produce desirable results.

Throughout the drafting process, we have taken a democratic approach in order to draw on a vast pool of wisdom. On November 27, 2023, the Central Committee issued a notice about soliciting opinions on the agenda of the third plenary session of the 20th Central Committee from all localities, departments, and sectors, as well as some officials and individuals.

There is a broad consensus among all those consulted that the 20th CPC Central Committee's decision to focus its third plenary session on further deepening reform comprehensively to advance Chinese modernization is a reflection of the Party's firm determination and strong sense of responsibility to carry reform through to the end and a restatement of the answers it has given to the questions of what banner to uphold and what path to take on the new journey in the new era. They believe that this decision holds far-reaching significance for building a great country and advancing national rejuvenation on all fronts through Chinese modernization. The localities, departments, and sectors consulted have also made many valuable suggestions on the theme and framework of the draft, as well as major reform measures to be included. This has provided us with an important reference for drafting the resolution.

On May 7, 2024, the text of the resolution was issued to select Party members, including retired senior Party officials, for consultation. Opinions were also sought from the central committees of other political parties, from leaders of the All-China Federation of Industry and Commerce, from prominent figures without party affiliation, and from relevant enterprises, scholars, and experts.

The feedback shows that all those consulted believe that the strategic measures for further deepening reform comprehensively presented in the draft resolution closely focus on the theme of advancing Chinese modernization. The draft follows the right political orientation and sets forth reform plans for resolving the major institutional problems hindering Chinese modernization. With a distinct theme, clear priorities, and feasible measures, the document will, in their opinion, serve as an overall plan and call to action for comprehensively advancing broader and deeper reform on the new journey in the new era. They also agree that the draft evinces a historical initiative with regard to upholding and improving the system of socialism with Chinese characteristics and modernizing China's system and capacity for governance, and it will provide strong impetus and institutional support for Chinese modernization.

Based on a careful study of the 1,911 opinions and suggestions received from all sides, the drafting group incorporated as many of these as possible into the draft, resulting in 221 revisions to the text.

During the drafting process, the Standing Committee of the Political Bureau met three times and the Political Bureau convened on two occasions for the purpose of reviewing the draft versions. The culmination of all this is the final draft that we have submitted to this session for deliberation.

III. The General Framework and Main Content of the Document

In addition to a preamble and a conclusion, the draft resolution consists of 15 sections, which may be divided into three main parts. The first section constitutes the first part and is a general exposition on the great significance and general requirements of further deepening reform comprehensively to advance Chinese modernization. Sections two through fourteen make up the second part, which elaborates on reform plans in specific fields such as the economy, politics, culture, society, environmental conservation, national security, and national defense and the military. Section fifteen is part three. This part focuses on strengthening the Party's leadership over reform, deepening reforms related to Party building, improving conduct, building integrity, and combating corruption. The above content is laid out in a total of 60 subsections.

With a view to achieving the goal of basically realizing socialist modernization by 2035, the draft resolution includes major reform measures for the coming five years. In terms of its layout and content, it features the following highlights.

(1) Giving play to the leading role of economic structural reform

Economic structural reform will remain our priority in further deepening reform comprehensively. The main tasks in this regard include improving the systems and mechanisms for enabling high-quality development, fostering new growth drivers and strengths, upholding and fulfilling the commitments to the public and non-public sectors, building a unified national market, and refining the systems underpinning the market economy.

Focusing on the pivotal issue of balancing the relationship between the government and the market, the draft resolution gives prominence to building a high-standard socialist market economy and makes arrangements for economic structural reform in major areas and key links. It mentions that we will strengthen strategic coordination between relevant administrative departments and work to refine the layout of the state-owned sector and adjust its structure, so as to see state capital and state-owned enterprises get stronger, do better, and grow bigger, with their core functions and core competitiveness enhanced. Targeting the development of the non-public sector, it puts forth the requirements of formulating a private sector promotion law, strengthening law enforcement and justice administration to protect property rights, and preventing and rectifying administrative and criminal interference in economic disputes. It also includes measures such as enhancing the binding force of fair competition review, reviewing and abolishing regulations and practices impeding the development of a unified national market and fair competition, and improving institutions and rules for production factor markets. All these steps will help unleash the internal driving forces and creativity of our society as a whole.

The draft resolution lays out plans for improving the systems and

mechanisms underpinning high-quality development and promoting the development of new quality productive forces. To develop productive forces characterized by high technology, high efficiency, and high quality, it mentions that we will work to increase institutional supply in new areas and arenas, establish a mechanism for ensuring funding increases for future-oriented industries, elevate national standards to guide the upgrading of traditional industries, and channel various types of advanced production factors toward the development of new quality productive forces.

The draft resolution sets forth plans for refining the macroeconomic governance system. As mentioned in the document, efforts will be made to improve the national strategic planning system and policy coordination mechanisms. With a view to deepening reform of the fiscal and tax systems in a coordinated manner, the draft resolution includes arrangements to expand the sources of tax revenue at the local level and place more fiscal resources at the disposal of local governments. It proposes measures to appropriately expand the scope of use for funds raised from the sale of local government special-purpose bonds while properly granting the central government greater administrative authority and increasing the share of its expenditure in total government expenditure. Efforts will be made to refine the role and governance of financial institutions, improve the functions of the capital market with balanced investment and financing, and improve the financial regulatory system.

The draft resolution puts forward plans for improving the institutions and mechanisms for urban-rural integrated development. This involves improving the institutions and mechanisms for advancing new urbanization; consolidating and improving the basic rural operation system; improving supporting systems to strengthen agriculture, benefit farmers, and enrich rural areas; and deepening reform of the land system.

The draft resolution also outlines plans for refining the institutions and mechanisms for high-standard opening up, which involve steadily expanding institutional opening up, deepening the foreign trade structural reform, further reforming the management systems for inward and outward investment, optimizing the layout for regional opening up, and improving the mechanisms for high-quality cooperation under the Belt and Road Initiative.

(2) Developing support institutions and mechanisms for all-around innovation

With a view to ensuring coordinated efforts to promote integrated reform of institutions and mechanisms pertaining to education, science and technology, and talent, the draft resolution places emphasis on deepening comprehensive reform in education, deepening scientific and technological structural reform, and deepening institutional reforms for talent development, so as to boost the overall performance of our country's innovation system.

In terms of reform in the education system, the document includes arrangements such as advancing reforms of higher education institutions on a categorized basis and developing discipline adjustment mechanisms and

talent training models to meet the needs of China's scientific and technological development and national strategies. This will see us making extraordinary moves to plan for disciplines and majors that are in urgent demand. The document also specifies the requirements of refining the mechanisms for facilitating scientific and technological innovation in universities and ensuring more efficient application of advances.

With regard to scientific and technological structural reform, the document calls for efforts to boost China's strength in strategic science and technology. In this regard, it mentions that we will better define the roles and layout of our national research institutions, advanced-level research universities, and leading high-tech enterprises and improve the management of science and technology plans to ensure that they are forward-looking and play a guiding role in basic research, interdisciplinary frontier areas, and key fields. Moreover, the principal role of enterprises in innovation will be reinforced, and mechanisms for fostering leading high-tech enterprises will be established; public institutions engaged in scientific research will be allowed to implement a more flexible management system as compared to general public institutions, so that they can explore approaches to instituting corporate management; and reforms to grant researchers corresponding rights over their outputs will be deepened.

To advance institutional reforms for talent development, the document sets out requirements such as stepping up efforts to build a contingent of personnel with expertise of national strategic importance and working to improve the performance of talent of all types; improving the mechanisms for identifying, selecting, and training young innovators and ensuring better pay and benefits for our young scientists and engineers; enhancing the incentive mechanisms for talent, granting more say to employers, and creating a more accommodating environment for talent development; and improving the support mechanisms for recruiting talent from overseas.

(3) Advancing reform in a comprehensive manner

Under the framework for implementing the Five-Sphere Integrated Plan and the Four-Pronged Comprehensive Strategy¹ in a coordinated way, the draft resolution sets forth plans for further deepening reform across the board and makes overall arrangements for both economic structural reform and reforms in other areas.

To deepen reform concerning democracy and the rule of law, the document sets out plans for refining the system for whole-process people's democracy and for improving the system of socialist rule of law with Chinese characteristics. With regard to the former, it details arrangements such as strengthening the institutions through which the people run the country, improving the mechanisms for consultative democracy, enhancing democracy

¹ The Five-Sphere Integrated Plan is to promote coordinated economic, political, cultural, social, and ecological advancement. The Four-Pronged Comprehensive Strategy is to make comprehensive moves to build a modern socialist country, deepen reform, advance law-based governance, and strengthen Party self-governance.

at the primary level, and building a broad united front. With regard to the latter, it mentions arrangements such as strengthening legislation in key, emerging, and foreign-related areas; refining the institutions and mechanisms for ensuring that supervisory organs, public security organs, procuratorates, courts, and administrative departments for justice all fulfill their respective functions and that powers of supervision, investigation, procuratorate, adjudication, and enforcement complement and constrain each other; and improving the mechanisms for building a law-based society.

With regard to reform of the cultural sector, the document, in view of advancing modernization featuring coordinated pursuit of material and cultural-ethical progress, specifies that activities to foster ideals and convictions will be carried out on a regular and institutionalized basis and working mechanisms for raising awareness, applying principles, and developing initiatives aimed at promoting cultural-ethical progress will be innovated and improved. It also details arrangements such as refining mechanisms for supplying cultural services and products and establishing mechanisms for channeling quality cultural resources directly to the community level; improving the system for comprehensive cyberspace governance; and moving ahead with restructuring China's international communication framework and establishing a more effective international communication system.

To refine the system for ensuring and improving the people's wellbeing, the document includes arrangements such as improving the income distribution system and keeping income distribution well-regulated; improving the policy environment to boost employment by encouraging business startups, and supporting and regulating the development of new forms of employment; building a sound social security system to serve people in flexible employment, rural migrant workers, and those in new forms of employment, and lifting all restrictions preventing people from accessing social security in the places where they work but do not hold permanent residency; and fostering a new development model for the real estate sector and giving municipal governments more decision-making powers to regulate the real estate market. Moreover, it calls for efforts to further reform the medical and healthcare systems and implement a health-first strategy; improve the systems for supporting population development and providing related services, refine the policy system and incentive mechanisms for boosting the birth rate, and refine the policies and mechanisms for developing elderly care programs and industries; and advance reform to gradually raise the statutory retirement age in a prudent and orderly manner in line with the principle of promoting voluntary participation while allowing appropriate flexibility.

To further reform the system of ecological conservation, the document lays out plans for improving the basic systems for ecological conservation, improving environmental governance systems, and improving mechanisms

for green and low-carbon development. It also specifies the requirements of implementing region-specific environmental management systems featuring differentiated and targeted regulation, improving the trans-regional compensation mechanism for ecological conservation, implementing fiscal, tax, financial, investment, and pricing policies as well as standards to support green and low-carbon development, and accelerating the planning and development of a new energy system.

(4) Balancing development and security imperatives

National security provides a pivotal foundation for ensuring steady and sustained progress in Chinese modernization. Giving higher priority to national security, the draft resolution puts forth a set of requirements with a focus on modernizing China's system and capacity for national security. These requirements include creating a coordinated and highly effective system for protecting national security and better leveraging science and technology to safeguard national security; improving the response and support system for major public emergencies; instituting oversight systems to ensure the safety of artificial intelligence; exploring avenues for establishing a unified national population management system; and improving the integrated systems for maintaining law and order and cracking down hard on illegal and criminal activities that cause grave public concern. Furthermore, the draft also proposes measures such as establishing sound coordination mechanisms for promoting security in neighboring regions; strengthening mechanisms for countering foreign sanctions, interference, and long-arm jurisdiction; and improving mechanisms for preventing and controlling trade risks, improving the system of foreign-related laws and regulations and the systems for enforcing the rule of law, and deepening law enforcement and judicial cooperation with other countries.

To continue deepening reform of national defense and the armed forces, the document puts forward requirements such as improving the institutions and mechanisms for leading and managing the people's armed forces, deepening reform of joint operations systems, and deepening military-civilian reforms.

(5) Strengthening the Party's leadership over reform

Leadership by the Party provides a fundamental guarantee for further deepening reform comprehensively to advance Chinese modernization. The draft resolution mentions that we will refine the mechanisms through which major decisions and plans of the Central Committee are implemented; further reform the management system for officials and personnel and firmly follow the right approach to selecting and appointing officials, seeing that officials who are politically committed, highly responsible, determined to pursue reform, outstanding in performance, and honest and clean must be selected and the problem of officials acting arbitrarily or lacking the willingness, courage, or ability to deliver must be addressed; make sure that officials have a correct understanding of what it means to perform well, and the "three

distinctions”² are applied to encourage officials to forge ahead in a pioneering spirit and demonstrate enterprise in their work; strengthen the political and organizational functions of Party organizations; and refine the systems and mechanisms for preventing and tackling pointless formalities and bureaucratism, improve the mechanisms for investigating and addressing instances of both misconduct and corruption, and adopt more measures to effectively prevent and control new and disguised forms of corruption.

Comrades,

I hope you will gain a full understanding of the guiding principles laid down by the CPC Central Committee, hold discussions centering on the theme of this plenary session, and come up with constructive ideas and suggestions for revision, so that we can work together to make this session a great success and make well-conceived revisions to the draft resolution.

² The three distinctions refer to those between errors caused by lack of experience in pilot reforms and deliberate violations of discipline and law; between errors made in conducting experiments that are not explicitly restricted by higher-level authorities and arbitrary violations of discipline and law in the face of higher-level authorities' explicit prohibition; and between unwitting errors made in pursuing development and violations of discipline and law for personal gain.