

## **Toward Modernity: The Value of Xi Jinping's Economic Thought**

## Contents

Introduction.....	1
Chapter 1 Opening New Horizons of Marxist Political Economy -- Distinctive Features of Xi Jinping's Economic Thought.....	3
1.1 Upholding fundamental principles and breaking new ground: To provide fundamental guidelines for economic work in the new era.....	3
1.2 Distinct characteristics: Keys to learn and understand Xi Jinping's economic thought.....	7
Social well-being -- economics that seeks a better life for Chinese people .....	8
Solid underpinning -- economics that lays a stronger material foundation for national rejuvenation.....	9
Strong effectiveness -- economics that upholds socialist market economy in new era .....	11
Sound coordination-- economics that brings peace and tranquility for future generations .....	12
Shared future -- economics that pursues common prosperity and universal harmony .....	14
Chapter 2 Comprehensively Promoting a Chinese Path to Modernization with High-Quality Development -- The Implementation Strategy of Xi Jinping's Economic Thought.....	16
2.1 Anchoring new development orientation with new development stage .....	16
2.2 Leading high-quality development with new development philosophy.....	18
2.3 Reshaping new development strengths with new development pattern.....	19
2.4 Unleashing the driving force for development with the deepening of reform and opening up.....	20
2.5 Implementing major national strategies to expand development space.....	22
2.6 Seizing initiative by coordinating development and security.....	23
Chapter 3 Chinese Wisdom of Economic Governance Modernization -- Scientific Method of Xi Jinping's Economic Thought.....	25
3.1 Handle well the relationship between stability and progress -- seeking progress while maintaining stability, and securing stability with progress.....	25
3.2 Handle well the relationship between crises and opportunities -- seeking opportunities in crises and turning crises into opportunities.....	27
3.3 Handle well the relationship between supply and demand -- mutual promotion, dynamic balance.....	28
3.4 Handle well the relationship between the internal and the external -- linking domestic and international markets and smoothing the dual circulation.....	30
3.5 Handle well the relationship of making and breaking -- bringing in the new before discarding the old through coordinated planning.....	31
3.6 Handle well the relationship between the long term and the short term -- building on the present and setting sights on the future.....	33
Chapter 4 Providing Answers to Questions About Global Economic Development -- Global Significance of Xi Jinping's Economic Thought .....	35
4.1 Stay committed to development as a priority and contribute strength to narrowing the global development gap.....	35
4.2 Adhere to mutual benefit and win-win principle, and share China's solution for promoting opening-up and cooperation.....	37
4.3 Pursue a shared future and provide Chinese ideas for improving global governance.....	38
Chapter 5 Exploring the Origin -- Xi Jinping's Stories of Economic Governance While Working as	

Local Officials .....	41
5.1 Xi Jinping in Zhengding.....	41
5.2 Xi Jinping in Fujian.....	43
5.3 Xi Jinping in Zhejiang.....	49
5.4 Xi Jinping in Shanghai.....	53
Epilogue.....	57

## Introduction

Thoughts are the beacons of history.

The Communist Party of China (CPC) Central Committee, with Comrade Xi Jinping at its core, has pursued a strategy of national rejuvenation amid global changes of a magnitude not seen in a century. It has accurately assessed the stage and position of China's economic development, creatively introduced a series of new ideas, new ways of thinking and new strategies for governance, and formed and developed Xi Jinping's economic thought through practice.

As a key part of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Xi Jinping's economic thought represents the latest theoretical achievements of adapting Marxist political economy to the Chinese context and the needs of the times. It encapsulates the CPC's ideas and thoughts developed from the Party's unremitting exploration of the path of socialist economic development, and provides a sound guide for China's high-quality economic development and the building of a modern socialist country in all respects.

Truth is developed and tested in practice.

-- Over the past decade, China's economic strength has seen a historic rise, with the country's GDP growing from 54 trillion yuan to 121 trillion yuan, ranking second in the world. Having resolved the issue of absolute poverty and having completed the building of a moderately prosperous society in all respects on schedule, China now stands at a higher historical starting point of development.

-- Over the past five years, China has withstood multiple tests, such as a fast-changing world, shocks from the COVID-19 pandemic and the domestic economic downturn, and effectively protected the lives and health of its people. With the 14th Five-Year Plan (2021-2025) off to a good start, the Chinese economy is marching forward on the path of high-quality development.

-- Over the past three years, in the face of a once-in-a-century pandemic, China was the first major economy worldwide to achieve positive growth, managing to achieve an average annual growth of 4.5 percent, far exceeding the global average. Tremendous achievements were made in both pandemic response and economic and social development.

-- In 2022, facing unexpected factors such as the resurgence of COVID-19 and the Ukraine crisis, the Chinese economy stood up to the pressure with 3 percent year-on-year GDP growth, and ensured overall economic and social stability.

The historic achievements and historic changes of the Chinese economy in the new era serve as a profound indication that the firm leadership of the CPC Central Committee with Comrade Xi Jinping at its core and the sound guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era is the maximum certainty we have when dealing with all uncertainties, and also a profound indication for the great strength of Xi Jinping's economic thought in practice.

Long roads are bound to be strewn with difficulties and obstacles. Entering a new development stage, China enjoys multiple advantages and favorable conditions for further development. But we must be aware that the foundations of economic

recovery are not yet sound, the pressures of shrinking demand, supply impact and weakening expectations remain high, and the external environment is volatile and unstable. These factors all have deep impacts on the Chinese economy. The more complex and grave the international situation is, and the more challenging and arduous the tasks of reform are, the more steadfast we shall be in following the guidance of Xi Jinping's economic thought, marching forward in tandem and fostering strong synergy for development. This is key for the Chinese economy to forge ahead at its current stage and in the future, and it is the source of assurance for overcoming challenges and advancing with full strength.

The report focuses on the distinctive features of Xi Jinping's economic thought from a philosophical dimension. It expounds on how Xi Jinping's economic thought pursues innovation on the basis of what has worked in the past, and opens up new frontiers for the Marxist political economy with five key points: social well-being, solid underpinning, strong effectiveness, sound coordination and shared future.

The report focuses on the practical strategies of Xi Jinping's economic thought from a strategic dimension. It expounds on how Xi Jinping's economic thought guides the Chinese economy to pursue high-quality development, and strengthens the material foundation for the building of a great modern socialist country in all respects.

The report focuses on the scientific approaches of Xi Jinping's economic thought from a tactical dimension. It expounds on his wisdom in economic governance in managing the relationships between stability and progress, between crisis and opportunity, between supply and demand, between domestic and external situations, between establishing the new and abolishing the old, and between immediate and future concerns.

The report focuses on the significance of Xi Jinping's economic thought for the world from a global dimension. It expounds on his answers to the questions of global development.

The report also explores the origins of Xi Jinping's economic thought in practice by recounting his stories of economic governance when he worked in different localities.

## **Chapter 1 Opening New Horizons of Marxist Political Economy -- Distinctive Features of Xi Jinping's Economic Thought**

We must make an in-depth study of the new conditions and problems of the world and Chinese economy on the basis of China's national conditions and development practices, reveal new features and laws, refine and summarize the regular achievements of China's economic development practices, crystallize the country's practical experience into a systematic economic theory, and constantly open new horizons of Marxist political economy in contemporary China to contribute Chinese wisdom to the innovative development of Marxist political economy<sup>1</sup>.

-- Xi Jinping

Xi Jinping's economic thought is rooted in the stage and position of China's economic development. It scientifically inherits the theoretical essence of Marxist political economy and socialist political economy with Chinese characteristics. It is the latest theoretical achievement of Marxist political economy in contemporary China and in the 21st century. It points out the right direction and provides fundamental guidelines for China's economic work.

From the philosophical dimension, Xi Jinping's economic thought uses Marxist philosophical thought to guide economic work practice and explore laws governing economic development, stressing the need to constantly receive the nourishment of Marxist philosophical wisdom, more consciously adhere to and apply the dialectical materialist worldview and methodology, strengthen the ability to think critically and strategically, and strive to improve the ability to solve basic problems in China's reform and development.

### **1.1 Upholding fundamental principles and breaking new ground: To provide fundamental guidelines for economic work in the new era**

Xi Jinping's economic thought creatively puts forward a series of new ideas, new thoughts and new strategies with distinct epochal characteristics, which enriches and develops the theoretical system of Marxist political economy.

#### **Underlying guarantee:**

Strengthening the Party's overall leadership in economic work -- Creatively enriching and developing the Marxist political economy theory on the relationship between economy and politics.

The leadership of the CPC is the most essential feature of socialism with Chinese characteristics. The CPC holds the key to the governance of China. As the world's second largest economy, China's economy is like a giant ship. The bigger the size and the bigger the wind and waves, the more important it will be to steer the ship.

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<sup>1</sup> Xi Jinping: Opening new horizons of the Marxist political economy in contemporary China, the 16th issue of the Qiushi Journal in 2020

"Development is the Party's top priority in governing and rejuvenating the country. As the ruling party, we must earnestly strengthen the Party's leadership in economic work," said Xi<sup>2</sup>.

"Economic work is the central work, and the leadership of the Party should be fully reflected in the central work. With the central work as the core, other work can be better carried out."<sup>3</sup>

Xi Jinping's economic thought creatively puts forward major theoretical viewpoints on strengthening the Party's overall leadership in economic work, stressing the need to have the Party's leadership fully reflected in economic work, to improve the Party's overall leadership in economic work, and to effectively transform the Party's institutional advantages in economic leadership into governance effectiveness. It also puts forward a series of concrete measures and methods to uphold and improve the system and mechanism of the Party's leadership in economic work and to guide economic and social development with medium- and long-term planning.

These new theoretical viewpoints have formed a systematic framework for strengthening the Party's overall leadership over economic work. They profoundly illuminate the highly unified dialectical relationship between economy and politics under the conditions of socialism and make an original contribution to the theory on the relationship between the economy and politics of the Marxist political economy. They also open up a new vision and provide new theories for in-depth global politico-economic study on the relationship between economy and politics and between the ruling party and the economy.

### **Clear position:**

Applying a people-centered development philosophy -- creatively enriching and developing the theory on the essence of the socialist economy of the Marxist political economy.

Marxism's most distinctive characteristic is an affinity with the people. Development for the people is fundamental to the Marxist political economy.

It was proposed at the Fifth Plenary Session of the 18th CPC Central Committee that the people-centered development philosophy must be upheld, and improving people's lives, promoting well-rounded human development and ensuring all people move steadily toward prosperity must be the aspiration and objective of economic growth. We must never forget this. We must firmly adhere to this fundamental position when we plan economic work, formulate economic policies and promote economic development.

"This country is its people; the people are the country."<sup>4</sup> Xi Jinping's economic thought expounds the people-centered development philosophy from multiple aspects,

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<sup>2</sup> A compilation of remarks by Xi Jinping on socialist economic construction, the Central Party Literature Press, 2017

<sup>3</sup> Xi Jinping: The leadership of the Communist Party of China is the defining feature of socialism with Chinese characteristics, the 14th issue of the Qiushi Journal in 2020

<sup>4</sup> Xi Jinping's speech at a grand ceremony marking the centenary of the CPC, Xinhua News Agency, July 2021

such as the goal of the struggle and the change to the principal contradiction in Chinese society. It makes clear that we must always put the people first, responding to their wishes, respecting their creativity, and pooling their wisdom; We must ensure and improve the people's well-being in pursuing development, and resolutely pursue common prosperity.

The people-centered development philosophy expands the theoretical connotation of the fundamental position of putting the people first. It has been tested in practice, which deepens the understanding of the purpose of socialist production and enriches the theory on the essence of the socialist economy of the Marxist political economy.

### **The path to great country:**

Advancing the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization -- creatively enriching and developing the Marxist political economy on socialist modernization.

Pursuing happiness for the Chinese people and rejuvenation for the Chinese nation is the founding aspiration and mission of the CPC. "From this day forward, the central task of the CPC will be to lead the Chinese people of all ethnic groups in a concerted effort 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 a Chinese path to modernization," said a report to the 20th CPC National Congress.

Since the 18th CPC National Congress, the Party has made new progress based on previous explorations, continuously achieved innovations and breakthroughs in theory and practice, and successfully advanced and expanded Chinese modernization. The Chinese characteristics, defining features and major principles of Chinese modernization were summarized and formed, and the theoretical system of Chinese modernization was initially built. Chinese modernization has become clearer, more scientific, more tangible, and more feasible. To build China into a great modern socialist country in all respects, we have adopted a two-step strategic plan: Basically realize socialist modernization from 2020 through 2035; Build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful from 2035 through the middle of this century.

The theoretical system of Chinese modernization represents the latest achievement in developing scientific socialism, makes a breakthrough in the socialist modernization theory, and comes as the innovation of global modernization theory.

### **The first and foremost task:**

Unswervingly promoting high-quality development -- creatively enriching the development of Marxist political economy theory on economic development.

For a country to become rich and strong, it must increase its economic aggregate and improve its economic quality.

Socialism with Chinese characteristics has entered a new era, and China's economy has entered a new normal, shifting from a stage of high-speed growth to

high-quality development. Xi Jinping's economic thought emphasizes that promoting high-quality development is a distinct theme of China's economic development and the primary task of building a modern socialist country in all respects. The thought creatively puts forward the new development philosophy, featuring innovative, coordinated, green, open, and shared development, and the idea of fostering a new pattern of development that is focused on the domestic economy and features positive interplay between domestic and international economic flows, and organically integrates the strategy of expanding domestic demand with deepening supply-side structural reform.

A series of major strategic thinking and plans have answered basic questions such as the guiding principles, path selection, and mainline for high-quality development of the Chinese economy in the new stage. They have enriched and developed Marxist political economy theories on stages of economic growth, principles of economic development, the relationship between production and demand, and social reproduction, put in place a systematic theoretical system of development economics with Chinese characteristics, and represent the latest achievement of the Marxist development view.

#### **Systemic foundation:**

Adhering to and improving the basic economic system of socialism -- creatively enriching and developing the theory of Marxist political economy on the basic economic system.

Economic system is the sum of production relations, and the basic system plays a fundamental and decisive role in the economic system. Studying the basic economic system is the tradition of Marxist political economy.

With the gradual deepening of China's reform and opening up, the Communist Party of China has a deeper understanding of the basic socialist economic system. The fourth plenary session of the 19th CPC Central Committee put forward that "We will stick to public ownership as the main body and multiple forms of ownership developing together, keep distribution according to work as the mainstay with multiple forms of distribution existing alongside it, keep the socialist market economic system and other basic economic systems of socialism. This not only demonstrates the superiority of the socialist system but also is in line with the level of development of the social productive forces in the primary stage of socialism, and it is a great creation of the Party and the people." Xi Jinping's economic thought stresses that it is necessary to build a high-level socialist market economic system, unswervingly consolidate and develop the public ownership economy, unswervingly encourage, support, and guide the development of the non-public sector of the economy, and have the market play the decisive role in resource allocation and the government better play its role.

These new viewpoints, new ideas, and new thoughts have creatively developed and summarized the theory of the basic socialist economic system, deepened the understanding of the basic socialist economic system in terms of the ownership of the means of production, the income distribution system, and the way of allocating

resources, and expanded the Marxist political economy theory on the production relations.

### **The way of harmony and cooperation:**

Persevering in promoting the healthy development of economic globalization -- creatively enriching and developing the theory of Marxist political economy on the world economy.

The world today is in an era full of hope but also one full of challenges. Complex changes have raised the questions posed by the times to human society: "What has happened to the world? What shall we do?"

"Economic globalization is an irreversible historical trend and provides a strong driving force for the development of the world economy."<sup>5</sup> Xi Jinping profoundly grasped the general trend of world economic development, proceeding from the strategic height of building a human community with a shared future, and creatively put forward a series of new ideas, new thoughts, and new strategies that are rooted in Chinese excellent traditional culture for promoting the healthy development of economic globalization.

Seeking progress for humanity and harmony for the world, China maintains a global vision, achieving its own success and letting others succeed. It promotes the development of a human community with a shared future, upholding economic globalization featured by greater openness, inclusiveness, shared benefits, balance, and win-win outcomes. China promotes the high-quality development of the Belt and Road Initiative as a significant path to promote global prosperity and development, and promotes global development to a new stage of balance, coordination, and inclusiveness with the Global Development Initiative. Xi Jinping's economic thought has achieved a series of vital theoretical and practical innovations in global economic governance.

As a significant part of Xi Jinping's economic thought, Xi's vital exposition on economic globalization has provided a Chinese approach and contributed Chinese wisdom to the sound development of economic globalization. It deepened the CPC's understanding of the laws of economic globalization, profoundly answered the questions of the world today, and wrote a new chapter of Marxist political economy on the world economy.

### **1.2 Distinct characteristics: keys to learning and understanding Xi Jinping's economic thought**

Xi Jinping's economic thought has rich connotations. In summary, it displays distinct characteristics in five aspects -- social well-being, solid underpinning, strong effectiveness, sound coordination and shared future. These are key to learning and understanding Xi Jinping's economic thought in terms of its theory system, thought

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<sup>5</sup> Build an open world economy that is innovative and inclusive --Xi Jinping's Keynote Speech at the Opening Ceremony of the First China International Import Expo, Xinhua News Agency, November 2018

logic, and rich connotations.

### **Social well-being -- economics that seeks a better life for Chinese people**

For thousands of years, Chinese people have been aspiring for a better life.

On Nov. 15, 2012, Xi Jinping, the newly elected general secretary of the CPC Central Committee, made the commitment -- "Achieving the people's aspiration for a better life is our goal."

The Sixth Plenary Session of the 11th CPC Central Committee held in 1981 pointed out that the principal contradiction in the primary stage of socialism was between the people's ever-growing material and cultural needs and backward social production. This was a scientific conclusion made by the CPC based on the economic and social development stage at that time. The key point is to meet people's basic material and cultural needs.

In 2017, Xi said in a report to the 19th CPC National Congress that as socialism with Chinese characteristics has entered a new era, the principal contradiction facing Chinese society has evolved to that between unbalanced and inadequate development and the people's ever-growing needs for a better life.

The evolution of the principal contradiction represents a historic shift of overall importance. The transition from providing for people's basic needs to meeting people's desire for a better life reflects China's tremendous progress in economic and social development, as well as the comprehensive upgrading of the people's needs for a better life.

Meeting the people's ever-growing new needs for a better life is the logical starting point of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Xi Jinping's economic thought starts from this and has developed into a cohesive, in-depth, and systematic economic theory system.

Xi Jinping's economic thought starts from the principal contradiction facing Chinese society, coordinates needs and wants, focuses on "social well-being", and establishes the economics that seeks a better life for Chinese people.

The core of "social well-being" is for all Chinese people to live improved lives. "The people's ever-growing needs for a better life" closely reflects the qualitative changes in consumer psychology and demand structure brought about by economic and social development, captures the fundamental basis and driving force for economic transformation and upgrading, clarifies the ideal and development goals of a better life for all the people, and attests to the unchanged original aspiration of CPC members.

"Social well-being" lies in improving life quality, enhancing the sense of fulfillment, and increasing the richness of people's cultural lives. Regarding economic work, the supply-side structural reform aims to better match supply with demand and bring more science, technology, and culture elements into products and services so that these products and services are more convenient to use and more appealing, not only meet the needs of users but also bring pleasure, effectively enhancing people's sense of happiness.

"Social well-being" lies in the shared beauty of a beautiful China and a beautiful life. The well-being of the people and sustainable development depend on the beauty of the environment and the ecological environment. "Environmental protection and economic development are not contradictory, but dialectical and unified. Only by having a solid foundation for green development could we achieve fast progress in future growth."<sup>6</sup> "We should combine high-quality development with meeting the people's needs for a better life, prioritize ecological development, promote high-quality growth, and create a high-quality life."<sup>7</sup> The insightful remarks showed Xi's profound thinking about the relationship between environmental protection and economic development.

Bringing benefits to the people is the fundamental principle of governance. The report to the 20th CPC National Congress stressed that "working for the people's well-being is an essential part of the Party's commitment to serving the public good and exercising governance for the people. We must ensure and improve the people's well-being in pursuing development and encourage everyone to work hard together to meet the people's aspirations for a better life."

### **Solid underpinning -- economics that lays a stronger material foundation for national rejuvenation**

In the early days of the People's Republic of China, 156 key industrial and mining infrastructure projects were introduced from the Soviet Union and Eastern European countries, laying the foundation for China's initial industrialization. With more than 900 large and medium-sized supporting projects, a complete industrial system was gradually established, consolidating the foundation for the founding of the New China. Since China's reform and opening up, the real economy has continued to grow rapidly, making China the world's second-largest economy and biggest manufacturing country.

As socialism with Chinese characteristics enters a new era, how can we build and consolidate the material foundation for national rejuvenation and guide and drive economic and social development?

Xi Jinping's economic thought starts from the labor theory of value, coordinates the dual implications of economics and philosophy on value, focuses on "solid underpinning," and establishes the economics that lays a stronger material foundation

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<sup>6</sup> Xi Jinping stresses efforts to implement the guiding principles of the fifth plenary session of the 19th CPC Central Committee and promote the high-quality development of the Yangtze River Economic Belt at a symposium he chaired on comprehensively advancing the development of the Yangtze River Economic Belt. Vice Premier Han Zheng attends the symposium and delivered a speech. Xinhua News Agency, November 2020.

<sup>7</sup> Xi Jinping stresses efforts to unswervingly pursue high-quality development and improve the people's well-being when joining a deliberation with fellow lawmakers from northwest China's Qinghai Province during the annual session of the National People's Congress. Xinhua News Agency, March 2021.

for national rejuvenation.

The source of the word "solid" is Marxist theory and the stance of the communists. Labor value is the basis of Marxist economic theory. Labor is the substance and the intrinsic yardstick of value. Only labor can create value.

"The real economy is the foundation of a big country"<sup>8</sup>. The development of the real economy is crucial, and at no time should we divert from the real economy"<sup>9</sup> and "we will promote the deep integration of the Internet, big data, artificial intelligence, and the real economy."<sup>10</sup> Xi Jinping's economic thought firmly anchors economic activities in labor activities such as production, manufacturing, and innovation, which means that companies are expected to produce physical products, provide tangible services, and take concrete products and services that can meet the needs of production and life as the core of all economic activities.

Xi deeply understood and firmly grasped the direction and foundation of socialist economic development and pointed out that "no matter how the economy develops, the real economy is the root of China's economic development and the foundation for China to seize the initiative in global economic competition." Like kite strings tied fast to trees, financial services, capital markets, virtual economy, and the digital economy should be tied fast to the real economy so as to achieve innovative development centering on and serving the real economy.

China's economic aggregate reached a new level of 120 trillion yuan, and its status as the largest manufacturing country has continued to consolidate. It has built the world's largest comprehensive transportation network and realized "overtaking on a twisting road" in industries such as new energy vehicles and artificial intelligence. China's grain output has exceeded 650 million tonnes for eight consecutive years. The great rejuvenation of the Chinese nation shows the unprecedented bright future, which stems from the increasingly solid material foundation laid down by their hard work.

Innovation is the primary driving force and the key to the sustained growth of the real economy.

"Core technologies cannot be acquired by begging for alms. They must rely on self-reliance." "Key technologies and equipment must be in our own hands." The CPC Central Committee with Comrade Xi Jinping at its core has made unprecedented efforts to strengthen original and leading scientific and technological research, deploy innovation chains around industrial chains, continuously strengthen independent innovation, and constantly break the bottleneck of technologies. China has seen a

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<sup>8</sup> Xi Jinping urges more efforts to achieve new, greater progress in the coordinated development of the Beijing-Tianjin-Hebei region at a symposium during an inspection tour of the region, Han Zheng accompanies Xi on the tour and attends the symposium, Xinhua News Agency, January 2019

<sup>9</sup> Xi Jinping stresses holding high the banner of reform and opening-up in the new era and calls for deepening of China's reform and opening-up, Xinhua News Agency, October 2018

<sup>10</sup> Xi Jinping: Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era -- Report to the 19th National Congress of the Communist Party of China, Xinhua News Agency, October 2017

stream of scientific and technological achievements in various fields, including manned spaceflight, lunar exploration, Mars exploration, deep sea exploration, deep underground exploration, supercomputers, satellite navigation, quantum information, and large aircraft manufacturing. In the Global Innovation Index 2022 released by the World Intellectual Property Organization, China has risen to the 11th rank from 34th in 2012.

### **Strong effectiveness -- economics that upholds socialist market economy in new era**

The most difficult task in making modern economic governance both vigorous and orderly is to deal with the relationship between the government and the markets appropriately. Establishing and improving the socialist market economic system is an unprecedented reform practice.

Since the reform and opening up, the CPC has creatively proposed to develop the market economy under socialist conditions, established and improved the socialist market economic system with Chinese characteristics, and led the Chinese people to score development miracles that have amazed the world. The key lies in bringing into play both the strengths of the market economy and the superiority of the socialist system.

Based on laws of economics and reality, Xi Jinping's economic thought has created a synergy between the government and the markets while focusing on "strong effectiveness" and constructing the economics that upholds socialist market economy in new era.

Xi Jinping's economic thought regards handling the relationship between the government and the markets appropriately as the core of China's economic system reform. It does not refute Western economics as a whole. Instead, it points out that "Western economic+ knowledge on topics such as finance, prices, currency, markets, competition, trade, exchange rates, industries, enterprises, growth, and management does reflect one side of the general laws underpinning socialized production and market economics, and should therefore be used as reference."<sup>11</sup> In the meantime, it also requires the government to play a better role, actively create a more convenient and superior market environment, and promptly prevent market disorder and failure.

In the third Plenary Session of the 18th CPC Central Committee in 2013, China proposed that the market should play a "decisive" role in allocating resources and the government should play its role better. It is a breakthrough in the CPC's understanding of the law of socialist construction with Chinese characteristics and marks that the development of the socialist market economy has entered a new stage.

Theoretical innovation is only valuable when put into practice.

Improving the macro-control system, setting up "traffic lights" to curb the disorderly expansion of capital and monopoly, and timely introducing tax and fee cuts, exemptions, deferrals, and other policies when businesses are in trouble. The "visible

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<sup>11</sup> Xi Jinping: Opening Up New Frontiers for Marxist Political Economy in Contemporary China, Qiushi Journal, No. 16, 2020

hand" and the "invisible hand" have created a synergy - the well-functioning government and the effective markets have made a coordinated effort to provide a paradigm for solving the global problem of handling the relationship between the government and the market appropriately in the economic field.

Reform is always in progress. The Chinese economy has shifted from a stage of rapid growth to high-quality development. Problems such as the flawed market system, insufficient market development, jammed flow of production factors, and inefficient resource allocation still exist to varying degrees.

A guideline issued in May 2020 by the CPC Central Committee and the State Council on accelerating the improvement of the country's socialist market economy in the new era proposed that China will promote institutional reforms in economic and other spheres from a higher starting point, at a higher level, and with higher goals to build a high-level socialist market economic system that is more integral and more mature.

The 20th CPC National Congress charted the course for building a high-level socialist market economy, calling for efforts to establish a unified national market, advance reforms for the market-based allocation of production factors, build a high-caliber market system, improve the fundamental regimes of market economy concerning protection of intellectual property rights, market access, fair competition and social credit, and to improve the macroeconomic governance system.

### **Sound Coordination -- economics that brings peace and tranquility for future generations**

According to the Cannikin Law, the capacity of a wooden bucket is not determined by the longest plank but the shortest one.

Starting from this new stage of development, Xi Jinping's economic thought creates a synergy between economy and society, between humans and nature, and between materials and culture, focuses on "sound coordination" and establishes the economics that brings peace and tranquility for future generations.

One of the greatest attributes of a Marxist lies in the mastery of scientific methodology to scientifically judge and grasp development stages. The 13th National Congress of the CPC put forward the notion of primary stage of socialism. Based on this overriding reality, Xi proposed a new stage of development. It was a major conclusion reached through an accurate understanding of the country's stage and position, the characteristics of the times and the tasks of the current development stage.

In this new development stage, economic, political, cultural, social and ecological spheres develop integrally. China has vowed to remain committed to the Chinese path to modernization to create a new form of human advancement. Chinese modernization benefits the largest number of people and opposes wealth gap and polarization. It advances the integration of both material and cultural-ethical advancement, striving to ensure material abundance, enrich people's cultural lives and spur their spiritual power. It promotes harmonious development between humans and

nature without sacrificing future generations, and it follows a path of peaceful development without seeking hegemony. It can be said that Chinese modernization, with "sound coordination" running throughout it, has dispelled the myth that "modernization is equal to Westernization," and it corrects and transcends the inherent flaws of the Western modernization path.

Xi said, "We should continue to observe things dynamically, not statically; holistically, not one-dimensionally; systematically, not fragmentally; and in context, not in isolation, with a view to handling various major relationships properly."<sup>12</sup> He has also said that "Coordination is both a means and a goal of development, as well as a criterion and yardstick for evaluating development. It is the unification of the two-point theory and key-point theory, of balanced and unbalanced development, and of development shortcomings and potential."<sup>13</sup> His theory has been clearly embodied in China's economic development. Typical examples include promoting synchronized development in both urban and rural regions, and trailblazing the development of the country's eastern regions while promoting the rise of its central regions, the large-scale development of its western regions and the full revitalization of its northeast regions. Other examples relate to the efforts to ensure both material abundance and cultural-ethical enrichment, integrate environmental protection and economic development, balance speed and quality, and coordinate the scale and structure of economic development.

"Sound coordination" must be achieved by pursuing more balanced, coordinated and inclusive development. Measures that stress both equity and efficiency have enabled China's economic and social development to approach "Pareto optimality." Such measures include consolidating the achievements made in poverty elimination and aligning the work with rural revitalization, expanding the size of the country's middle-income group and intensifying the regulation and adjustments of high incomes, and promoting equal access to basic public services.

"Sound coordination" also means pursuing perfect harmony among all nations. In the new era, China is taking a more proactive stance on the global arena and pushing for greater, broader and deeper opening-up, becoming a major stabilizer and engine for global economic growth. China has benefited people of all countries with tangible results by efforts such as promoting the Belt and Road Initiative, establishing cooperative assistance funds to promote global cooperation on poverty reduction, and building agricultural technology demonstration centers in Africa to help developing countries enhance their capability for independent and sustainable development.

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<sup>12</sup> Xi Jinping stresses applying the worldviews and methodologies of dialectical materialism to strengthen capabilities in resolving fundamental problems in China's reform and development at the 20th group study session of the Political Bureau of the CPC Central Committee, Xinhua News Agency, January 2015

<sup>13</sup> Xi Jinping stresses focusing on fully implementing the guiding principles of the fifth plenary session of the 18th CPC Central Committee to ensure the construction of a moderately prosperous society in all respects on schedule at a study session of provincial and ministerial-level officials, Li Keqiang presides over the meeting, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan and Wang Qishan attend the meeting, Xinhua News Agency, January 2016

## **Shared future -- economics that pursues common prosperity and universal harmony**

From Guan Zhong's saying "The first thing in running a country is to enrich people" to the society of great harmony depicted in the *Conveyance of Rituals*, *Book of Rites*, the idea of common prosperity is deeply rooted in the fine traditional Chinese culture. Common prosperity is the unswerving goal of the Chinese Communists. Comrade Mao Zedong proposed that "the prosperity is prosperity for all, the strength is strength of all, and shared by every one." Comrade Deng Xiaoping emphasized that "let some people and some regions prosper before others and the general principle is common prosperity."

Xi Jinping's economic thought starts from the essence of socialism, coordinates efficiency and fairness, focuses on "shared future," and constructs the economics that pursues common prosperity and universal harmony.

Since the 18th National Congress of the CPC, Xi Jinping has maintained a people-centered development philosophy, proposed promoting common prosperity through high-quality development, properly handling efficiency and fairness, and putting in place basic institutional arrangements to coordinate primary, secondary and tertiary income distribution.

The people-centered philosophy reflects the essential requirements of socialism with Chinese characteristics and the fundamental difference from the capital-based value orientation of capitalism. According to the profit-seeking principle followed by Western economics, human beings and other production factors are all turned into capital, which serves as the fundamental force to drive economic growth. However, the reality is that a large number of non-economic factors affecting economic development, especially human factors, can not be solved by capital alone. Only by putting the human factor at the center of productive forces and relations of production can we make clear the fundamental purpose of socialist economic development. In short, socialism is first and foremost about trying to make life better for everyone, while capitalism sees capital as the only solution.

On the path to achieve common prosperity, Xi stressed that, first of all, the "cake" should be made bigger and better through the joint efforts of the whole country, and then the "cake" should be cut and divided well through reasonable institutional arrangements. "This is a long-term historical process," he said. "We need to create conditions, improve institutions and move steadily toward this goal."<sup>14</sup>

As nearly 100 million rural residents shook off poverty, China has historically resolved the problem of absolute poverty and built a moderately prosperous society in all respects. With GDP and per capita GDP exceeding 120 trillion yuan and 12,000 U.S. dollars respectively, and the middle-income population surpassing 400 million, China has made a historic leap from a low-income country to an upper-middle-income country...The great changes in the new era have laid a more solid material foundation for achieving common prosperity, and China has reached a historical stage of making

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<sup>14</sup> Xi Jinping: On Major Theoretical and Practical Questions Concerning China's Development, *Qiushi Journal*, No. 10, 2022

solid progress in promoting common prosperity.

China not only promotes common prosperity for all the Chinese people, but also seeks progress for mankind and common prosperity for the world. Facing the severe challenges of "peace deficit, development deficit and governance deficit," Xi, with a view to integrating economic factors and development resources on a larger scale, has put forward major initiatives to address the common challenges facing mankind, and noted that "on the road to the well-being of all mankind, no country or nation should be left behind,"<sup>15</sup> and that "political parties should face squarely up to major problems such as wealth gap and development divide, with particular attention and care given to underdeveloped countries and regions and impoverished people, letting every piece of land grow hope."<sup>16</sup>

Xi Jinping's economic thought upholds the humanistic spirit of openness, inclusiveness and mutual learning of the Chinese nation, and works together to build a powerful vehicle for fostering a human community with a shared future. It reflects not only the firm cultural confidence, but also the cultural consciousness to make greater contributions to mankind. Common prosperity, joint contribution, shared benefit, and a shared future are distinctive features of Xi Jinping's economic thought, and it is also a contemporary interpretation of the ancient Chinese concept of "universal harmony."

## **Chapter 2 Comprehensively Promoting a Chinese Path to Modernization with High-quality Development -- The Implementation Strategy of Xi Jinping's Economic Thought**

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<sup>15</sup> Xi Jinping's keynote speech titled "Strengthening Cooperation Among Political Parties to Jointly Pursue the People's Wellbeing" at the CPC and World Political Parties Summit, Xinhua News Agency, July 2021

<sup>16</sup> Xi Jinping's keynote speech titled "Strengthening Cooperation Among Political Parties to Jointly Pursue the People's Wellbeing" at the CPC and World Political Parties Summit, Xinhua News Agency, July 2021

Taking deep root in China, the Chinese path to modernization is in line with our national conditions. We must always pursue the development of the country and the nation by relying on ourselves, take our country's destiny of development and progress firmly in our own hands, strengthen our confidence, uphold fundamental principles and break new ground so as to write a new chapter of building China into a modern socialist country in all respects.<sup>17</sup>

-- Xi Jinping

The report to the 20th National Congress of the CPC put forward that "to build a modern socialist country in all respects, we must, first and foremost, pursue high-quality development." One of the essential requirements for solidly advancing Chinese modernization is pursuing high-quality development.

From the perspective of strategy, in the face of a complex and severe situation of accelerated changes unseen in a century and the arduous task of building a modern socialist country in all respects, Xi Jinping's economic thought, which is based on a new development stage, follows a new development philosophy, fosters a new development pattern and themes on high-quality development, points out the practical path for striving to advance Chinese modernization.

## **2.1 Anchoring New Development Orientation with New Development Stage**

Orientation determines direction, and direction guides the future. A correct grasp of the historical orientation and the stage of China's development is the fundamental basis for the CPC to clarify the central tasks of current development and to formulate its lines, principles, and policies, and it is also an important experience to achieve victories in development constantly.

Entering a new development stage is a giant leap in the historic cause of the great rejuvenation of the Chinese nation. Xi Jinping noted, "After building a moderately prosperous society in all respects and attaining the First Centenary Goal, we must build on this achievement to embark on a new journey toward building a modern socialist country in all respects and the Second Centenary Goal, which marks that China has entered a new development stage."<sup>18</sup> It is a new stage where the CPC leads

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<sup>17</sup> When joining a group discussion with delegates from south China's Guangxi Zhuang Autonomous Region who are attending the 20th CPC National Congress, Xi Jinping calls on the entire Party and the Chinese people to stay committed to the same goal in mind and action to steer the giant ship of the great rejuvenation, braving winds and waves, toward its destination, Xinhua News Agency, October 2022

<sup>18</sup> Xi Jinping: On Understanding the New Development Stage, Implementing the New Development Philosophy, and Creating a New Development Pattern, the Central Party Literature Press, 2021

the Chinese people to embrace the historic leaps from standing up and growing prosperous to becoming strong, and where China works toward building a modern socialist country in all respects and the Second Centenary Goal. This is a new historical juncture in China's economic and social development, which has milestone significance.

To fully grasp the new development stage, it is necessary to anchor the new development orientation and to view new opportunities and challenges with dialectical thinking. It is necessary to recognize the difficulties and challenges ahead, but more importantly, it is necessary to understand that China has the advantages and conditions to foster new opportunities and create new situations. Despite the increasingly complex external environment, such as major changes unseen in a century overlaid with the once-in-a-century pandemic, rising protectionism and unilateralism, and the impact on the global industrial and supply chains, as well as internal challenges such as industrial bottlenecks, urban-rural disparities, and resource and environmental constraints, China's economy has institutional advantages as a socialist market economy, demand advantages due to its mega-market, supply advantages thanks to a well-developed industrial system, and human resource advantages with hard-working and intelligent workers and entrepreneurs. "Time and situation are in our favor."<sup>19</sup>

To fully grasp the new development stage, it is imperative to use the "golden key" of high-quality development to promote the effective improvement of quality and reasonable growth of quantity. At present, there is still a large gap between China and developed countries in many economic and livelihood indicators, and the unbalanced and inadequate economic and social development is mainly reflected in the quality of development. To promote high-quality development, the quality and quantity of economic development should be organically unified. It is necessary to lead the reasonable growth of quantity through the effective improvement of quality and support the effective improvement of quality through the reasonable growth of quantity, so as to lay a solid material foundation for promoting Chinese modernization.

The new journey is started on the basis of the new orientation. China is now in an important period of strategic opportunity for development and will remain so for some time to come. It is necessary to scientifically grasp the profound connotation of the new development stage, enhance the awareness of opportunities and risks, and fully mobilize all positive factors. Despite ever-evolving changes, we should steadfastly manage our own affairs well, insist on reliance on our own efforts to drive the nation's development, and make sure the destiny of China's development and progress remains firmly in our own hands.

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<sup>19</sup> Xi Jinping: On Understanding the New Development Stage, Implementing the New Development Philosophy, and Creating a New Development Pattern, the Central Party Literature Press, 2021

## 2.2 Leading High-quality Development with New Development Philosophy

Philosophy is the precursor of action, and certain developments are led by certain philosophies. Xi Jinping stressed that "since the 18th CPC National Congress, we have put forward many important theories and philosophies on economic and social development, of which the new development philosophy is the most important and primary one."<sup>20</sup>

The development philosophy underlines the overall direction and has far-reaching significance. The Fifth Plenary Session of the 18th CPC Central Committee clearly put forward the new development philosophy featuring innovative, coordinated, green, open and shared development, and comprehensively started profound changes related to China's overall development. Innovative development focuses on the drivers of growth while coordinated development aims to solve the imbalance in development. Meanwhile, green development highlights the harmony between humanity and nature, open development prioritizes interactions between China and the international community, and shared development underpins social equality and justice. The new development philosophy answers a series of theoretical and practical questions about the purpose, motivation, mode and path of development.

High-quality development embodies the new development philosophy. Xi Jinping's economic thought advocates grasping the new development philosophy from the fundamental purpose, and people-centered development is the fundamental principle and inexorable requirement of high-quality development. It advocates grasping the new development philosophy from problem-oriented approach. For example, by emphasizing that "major scientific and technological innovation achievements are the important and powerful tools of the country,"<sup>21</sup> China aims to tackle the "Achilles' heel" of its economic innovation capacity, vowing to solve the "bottleneck" problem and achieve high-level scientific and technological self-reliance. It advocates grasping the new development philosophy while having an awareness of hardship and emphasizes that the internal and external risks faced by China's development have risen unprecedentedly, so that the country must be more mindful of potential dangers, be prepared to deal with worst-case scenarios, and prepare for more complex and graver challenges.

Implementing the new development philosophy is the path that China must take to develop and grow in the new era. Currently, China's development faces many new major theoretical and practical problems. The new development philosophy is an integral whole, which should be fully grasped, accurately understood and completely

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<sup>20</sup> Xi Jinping: On Understanding the New Development Stage, Implementing the New Development Philosophy, and Creating a New Development Pattern, the Central Party Literature Press, 2021

<sup>21</sup> Xi Jinping calls for building world-class universities with Chinese characteristics to nurture people well-prepared to join the socialist cause during an inspection tour of Peking University, Xinhua News Agency, May 2018

implemented throughout the whole process and all fields of economic and social development, so as to achieve high-quality development in which innovation becomes the first driving force, coordination becomes the endogenous feature, going-green becomes a prevailing mode, openness becomes the only path, and sharing becomes the fundamental goal, and promote the transformation of quality, efficiency and driving force of economic development.

### **2.3 Reshaping New Development Strengths with New Development Pattern**

The pattern of development determines the big picture. As an important part of Xi Jinping's economic thought, accelerating efforts to foster a new pattern of development that is focused on the domestic economy and features positive interplay between domestic and international economic flows, is a strategic option for China to respond to opportunities and challenges in the new development stage and to implement the new development philosophy. It is also the strategic layout and a head start to take the initiative of future development.

On April 10, 2020, the concept of "new pattern of development" was first put forward by Xi Jinping at the seventh meeting of the Central Financial and Economic Affairs Commission. In October 2020, "creating a new pattern of development" was written in the 14th Five-Year Plan and the long-range goals for 2035 at the fifth plenary session of the 19th CPC Central Committee, laying out overall plans to speed up the establishment of the new pattern of development.

From the perspective of history, creating a new pattern of development is a conscious grasp of China's objective laws of economics and development trends. A major economy features domestic demand dominance and domestic circulation. After more than 40 years of reform and opening up, China has become the world's second-largest economy and the largest manufacturing country. Objectively, the relationship between domestic economy and international economy has long been required to be adjusted. This is China's primary consideration to create a new development pattern.

From the perspective of reality, creating a new pattern of development was put forward against the background that the COVID-19 pandemic was on the rise. As the world entered a new period of turbulence and transformation, China was faced with a more complex and volatile external environment. If the country sticks to an old development model of relying on "foreign markets and resources" and "large-scale imports and large-scale exports," it will be difficult to handle impacts caused by external shocks and declining external demand. Only by basing development strategies on our own strengths and relying more on domestic circulation, can we achieve economic development amid mounting instability and uncertainties in the international environment, and keep going and develop with vigor.

Xi pointed out that "in recent years, some achievements have been made through arduous efforts in establishing a new development pattern, with ideological consensus being consolidated, work foundation being cemented, and policies and mechanisms

being improved. However, there is still a long way to go to have the new development pattern established in an all-round way."<sup>22</sup> The success of national economic and trade events such as the China Import and Export Fair (Canton Fair), the China International Import Expo, the China International Fair for Trade in Services, and the China International Consumer Products Expo, shows that, in the coming period, the characteristics of China's domestic market-led economic cycle will become more obvious, and the domestic demand potential of economic growth will continue to release. By adopting a problem-oriented and systematic approach, coordinating the expansion of domestic demand and the deepening of supply-side structural reform, moving fast toward self-reliance in science and technology, building a modern industrial system that is independent, controllable, safe, reliable, and highly competitive, promoting the coordinated development between urban and rural areas and between regions, and furthering reform and opening up, China has the confidence to enhance its viability, competitiveness, development and sustainability under the new development pattern, and grasp the initiative, gain advantages and seize the future amid changes.

#### **2.4 Unleashing the Driving Force for Development with the Deepening of Reform and Opening Up**

Reform and opening up has been a key move in determining the fate of contemporary China. In December 2012, Xi Jinping arrived in Shenzhen, Guangdong Province, a landmark city in the country's reform and opening-up drive. It was Xi's first visit outside Beijing as general secretary of the CPC Central Committee, declaring to the world of China's resolve "to reform, without a break, and to open up, without a halt."

In 1978, the third plenary session of the 11th CPC Central Committee kick-started China's reform and opening up. In 2013, the third plenary session of the 18th CPC Central Committee, another epoch-making event, sounded the trumpet of comprehensively deepening reform in the new era. "The Decision of the CPC Central Committee on Several Major Issues Concerning Comprehensively Deepening Reform" was adopted at the plenum, setting out the salient points in five major structural reforms. Reform arrangements have been sweeping and systematic, proceeding from centering on economic structural reform to comprehensively deepening reform in all areas, including economic structural reform, reform of the political system, structural reform of the cultural sector, social structural reform, reform of the system for developing an ecological civilization, and institutional reforms related to Party building. The orientation of reforms has been consistent and

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22 Xi Jinping stresses accelerating the establishment of a new pattern of development and enhancing the security and initiative of development when attending the second group study session of the Political Bureau of the CPC Central Committee, Xinhua News Agency , February 2023

has repeatedly emphasized -- "Ask what the people care about and hope for. That's what the reforms shall aim for and head for. Deliver the people more sense of gain through reforms."<sup>23</sup> The implementation of reforms has been vigorous and decisive. More than 1.8 million people have been affected in the reform of institutions, with 21 ministerial departments dissolved. Upwards of 2,000 reform programs have been rolled out, spanning various areas. The reform targets and missions set at the plenary session have been essentially accomplished as scheduled.

Economic structural reform has continuously deepened, strictly following the principle of letting the market play the decisive role in the allocation of resources and the government better fulfill its role. The basic socialist economic system has been constantly consolidated, and the socialist market economy gradually improved. Unprecedented vigor and vitality have been unleashed. From "unswervingly consolidating and developing the public sector while encouraging, supporting and guiding the development of the non-public sector" to building a unified national market, and putting in place a high-standard market system... The construction of a high-standard socialist market economy has accelerated, and motivation and vigor for building China into a great modern socialist country have continued to increase.

Opening up has become a hallmark of contemporary China. China's economic growth in the past was achieved in an open environment. In the future, greater openness is needed for the Chinese economy to secure high-quality development. Since the 18th CPC National Congress, faced with headwinds and undertows hampering globalization, Xi Jinping has firmly pointed out that "China's door of opening up will not shut. It will only open ever wider." "Jointly build an innovative, inclusive and open world economy," Xi emphasized. During its opening-up drive, China has demonstrated its sense of responsibility as a major country. It has become a major stabilizer and engine of global economic growth, and with its new accomplishments, continued to provide new opportunities for the world. Over the past decade, China has proposed a raft of high-level opening-up measures, including the Belt and Road Initiative, and the establishment of pilot free trade zones and free trade ports, which have been implemented. China has also put forward a series of important ideas and propositions, such as building an open world economy, which have already borne fruit.

Achieving high-quality development requires deepening reform and opening up from a higher starting point. In the future, the country shall target key areas and crucial links, and continue to surmount obstacles. It shall continue to liberate and develop social productive forces, and unleash the power of engines of high-quality development. It shall embrace the world in a more positive and active manner, and

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<sup>23</sup> Xi Jinping presides over the 23rd meeting of the Central Leading Group for Deepening Overall Reform, and stresses that reforms should take the direction of fostering new engines of growth while upholding social equity and justice. Li Keqiang, Liu Yunshan and Zhang Gaoli attend the meeting, Xinhua News Agency, April 2016.

advance opening up to cover more fields in a broader scope and at a greater depth. It shall strive to develop a new system of open economy of higher standards, and forge new advantages in international cooperation and competition.

## **2.5 Implementing Major National Strategies to Expand Development Space**

The strategic issue is a fundamental issue for a political party or a country. Since the 18th CPC National Congress, Xi Jinping has personally planned, deployed, and promoted the implementation of major national development strategies, such as rural revitalization, coordinated regional development and people-centered new urbanization, aiming at handling the issues related to the overall situation and long-term interests of China. By prioritizing breakthroughs in key areas to advance all work, Xi has provided solid strategic support for the Chinese path to modernization.

Establishing the Xiong'an New Area with a vision of "national project of millennial significance," mapping out the strategy to promote the development of the Yangtze River Economic Belt and the ecological conservation and high-quality development of the Yellow River basin based on "the millennium-long plan of critical importance and the great rejuvenation of the Chinese nation," forging the three major high-quality development engines of the Beijing-Tianjin-Hebei region, the Yangtze River Delta region, and the Guangdong-Hong Kong-Macao Greater Bay Area... On the land of 9.6 million square kilometers, Xi has made overall plans and top-level designs, and drawn tailored blueprints appropriate to local conditions, bringing great changes to the Chinese economic map.

China aims to improve the development of territorial space, by connecting the east, the central and the west, and coordinating the development of the north and the south. China makes further progress in the large-scale development of the western region, achieves new breakthroughs in the full revitalization of the northeast, accelerates the rise of the central region and encourages the eastern region to modernize more quickly. And people's production and living conditions in old revolutionary base areas, areas with large ethnic minority populations and border areas have been significantly improved... With the implementation of a series of strategies for coordinated regional development, China enabled more effective leveraging of different regions' comparative strengths and significantly promoted balanced and coordinated development among regions.

The report to the 20th CPC National Congress has pointed out that the country would "develop a regional economic layout and a territorial space system that complement each other's strengths and promote high-quality development." It made major arrangements for regional development and territorial-space governance in the new development stage, providing fundamental guidance for the work of promoting coordinated development among regions and improving territorial-space governance. To put into practice the major arrangements and plans and ensure that their benefits are fully delivered, the key is to promote nationwide solidarity, to ensure the whole country works together, to achieve strategic breakthroughs in addressing prominent

problems, to advance all work while bearing in mind the overall situation, so as to continuously open new horizons for high-quality development.

From laying the groundwork to building pillars and frameworks, China delivers a series of major development strategies in key areas and regions on the ground, which provides multi-dimensional support for development. Focusing on key areas and regions, efforts have been made to push forward development and achieve strategic breakthroughs. This has resulted in the creation of a unified, clear, closely interlinked and strongly supportive strategic system, which is a concentrated embodiment of Xi Jinping's economic thought and has opened broad new horizons for China's economic development.

## **2.6 Seizing Initiative by Coordinating Development and Security**

Development and security are like the two wings of a bird or the two wheels of a cart. Development is the foundation of security and security is a precondition for development. Coordinating development and security is an important aspect of Xi's economic thought.

"We should ensure both development and security and be ever ready to protect against potential dangers in times of peace. This is a major principle underlying the Party's governance,"<sup>24</sup> said Xi Jinping. Since the 18th CPC National Congress, in the face of risks and challenges rarely seen in the world and history, Xi has developed keen insights into the trends of the day and accurately grasped the trend of history. He creatively put forward the holistic approach to national security, insisted on promoting national security in all areas and stages of the work of the Party and the country, which was planned and arranged along with economic and social development, and made a series of major decisions and plans from an overall and strategic perspective.

Considering security and development as of equal importance, we should strike a more desirable dynamic balance between high-quality development and high-level security. Faced with more acute food and energy security challenges, China has paid special attention to farmland and seeds, adopted a food crop production strategy based on farmland management and the application of technology and revolutionized energy production and consumption, which ensures the Chinese people's food and energy supply remains firmly in their own hands. To ensure the security and stability of supply and industrial chains, China aims to relieve the stranglehold some countries had tightened on its development of core technologies and has worked to reinforce and upgrade the weak links in industrial chains and supply chains, while the world economy faces more instability and uncertainty. In the face of potential risks present in the economic and financial sectors, China has enhanced the management and

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<sup>24</sup> Xi Jinping: Secure a decisive victory in building a moderately prosperous society in all respects and strive for the great success of socialism with Chinese characteristics for a new era -- the report to the 19th CPC National Congress, Xinhua News Agency, October 2017

control of risk sources, improved the financial safety net and the emergency response mechanism, to defuse local government debt risks and safeguard the bottom line of preventing major financial risks. China also coordinated its COVID-19 response with economic and social development, in the face of the impact of COVID-19.

The cause of promoting Chinese modernization, which is an unprecedented and pioneering venture, will inevitably encounter all kinds of risks, challenges, difficulties and even dangerous storms, some of which we can foresee and some we cannot. We must prepare for a series of new challenges and risks, fully assess difficulties and risks and coordinate development and security. And we must be more mindful of potential dangers, be prepared to deal with worst-case scenarios and have the courage and ability to carry on with our fight. We should fend off and defuse all kinds of major risks and achieve sound interaction between high-quality development and high-level security.

## **Chapter 3 Applying Chinese Wisdom in Economic Governance**

### **Modernization -- Scientific Method of Xi Jinping's Economic Thought**

To unite and lead the people in delivering on the two centenary goals and realizing the Chinese Dream of national rejuvenation, the CPC must continue to accept the nourishment of Marxist philosophical wisdom, adhere to and apply the dialectical materialist world outlook and methodology more consciously, enhance the ability to think dialectically and strategically, and strive to improve its ability to solve fundamental challenges in China's reform and development.<sup>25</sup>

-- Xi Jinping

Dialectical and historical materialism constitute the world outlook and methodology of Marxist political economics. The reason why Xi Jinping's economic thought works, and works well, lies in adherence to and adoption of the Marxist world view and methodology, as well as wisdom continuously drawn from the fine traditional Chinese culture.

From the tactical dimension, Xi Jinping's economic thought points out the scientific method for doing economic work well. It includes the general principle of seeking progress while maintaining stability, adhering to the principle of pursuing truth from facts and respecting economic laws, sticking to the problem-oriented and goal-oriented approach, and improving our capacity for strategic, historic, dialectical, systematic and innovative thinking, bearing in mind the rule of law and our bottom-line thinking principles, so as to provide scientific methods and systematic tools for economic work.

### **3.1 Handle well the relationship between stability and progress -- Pursuing progress while ensuring stability, and securing stability with progress**

As the old saying goes, haste makes waste. Only stability produces sustainability and only progress secures stability. The dialectical unity of stability and progress is contained in the wisdom of traditional Chinese culture.

Since the 18th CPC National Congress in 2012, Xi Jinping has elevated the principle of "pursuing progress while ensuring stability" from a guideline in economic field to an important principle in governance of the country, further expanding and enriching the connotations of "stability" and "progress."

China is a big country and must not make subversive mistakes on fundamental issues. Pursuing progress while ensuring stability is not only the way to stabilize the overall situation and bring peace and stability to the country but also a way to explore innovation and pursue changes. Xi Jinping pointed out, "We must pursue progress while ensuring stability and consolidate stability with progress in our work. This is true for economic development and also for social development."<sup>26</sup>

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<sup>25</sup> Xi Jinping: Dialectical Materialism is the World View and Methodology of the CPC, the Qiushi Journal, the first issue of 2019

<sup>26</sup> Xi Jinping greets the Spring Festival with non-CPC personages, extending festive greetings, on behalf of the CPC Central Committee, to non-CPC political parties, the All-China Federation of Industry and Commerce (ACFIC), and people without party

Pursuing progress while ensuring stability embodies the ideology of the CPC of proceeding from reality in everything, seeking truth from facts, and respecting laws. It also embodies the materialistic dialectics of adhering to the systematic concept and bottom-line thinking. For more than 40 years, China's reform and opening up have been comprehensive and progressive. It crosses the river by feeling the stones and is carried out on a pilot basis and then introduced gradually to wider areas. This is the vivid practice of pursuing progress while ensuring stability. Since the 18th CPC National Congress, in the face of many risks, challenges, and profound changes at home and abroad, China has adhered to the general principle of pursuing progress while ensuring stability, rising to difficulties, forging ahead, and making historic achievements while witnessing historic changes.

"Stability" is the main tone, as well as the overall situation. As economic development enters a new normal, Xi Jinping pointed out, "We should forge ahead in key areas under the premise of stability and press on under the premise of walking a fine line."<sup>27</sup> China has been keeping a firm grip on the key issue of maintaining the stability of the economy and society. It has done a solid job stabilizing the Six Fronts and guaranteeing the Six Priorities to ensure no significant fluctuations in economic growth, employment, and prices and that the bottom line of no systemic risks is maintained. China has optimized and adjusted the epidemic prevention and control measures according to the situation, effectively responded to the impact of the pandemic, and pulled through with a dialectical way to accurately coordinate epidemic prevention and control with economic and social development. Over the past more than three years since the outbreak of the COVID-19 epidemic, China has run its economy generally within a reasonable range, with the aggregate economic volume jumping from over 100 trillion yuan to over 120 trillion yuan and the economic growth rate maintaining a leading position among the world's major economies. China's economy remains a vital driving force for the world's economic growth, and it has created a stable macro environment for structural adjustment and reform with solid "stability."

"Progress" is the absolute principle and the way forward. It's like a boat traveling upstream: It must press ahead or it will fall behind. The key to progress is to make further advancement, new breakthroughs and new achievements by implementing the new development philosophy, fostering a new pattern of development and promoting high-quality development.

China has stuck to implementing the innovation-driven development strategy, integrated the strategy of expanding domestic demand with deepening supply-side

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affiliation, as well as members of the united front. Wang Yang and Han Zheng attend the event. Xinhua News Agency, January 2019

<sup>27</sup> The Central Economic Work Conference convenes in Beijing. Xi Jinping and Li Keqiang deliver important speeches. Zhang Dejiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan, and Zhang Gaoli attend the meeting. Xinhua News Agency, December 2016

structural reform, steadfastly deepened reform and opening-up, overcome difficulties and won tough battles one after another, and has firmly grasped the initiative of development to promote high-quality progress with more comprehensive stability. The giant ship of the Chinese economy has shown resilience and forged ahead in spite of high winds and waves, embarking on a new voyage of "two miracles."

### **3.2 Handle well the relationship between crises and opportunities -- Seek opportunities in crises and turn crises into opportunities**

The Chinese nation has always had the dialectical thinking and traditional wisdom of seeking opportunities in crises and turning crises into opportunities. The Tao Te Ching says, "Misfortune is what happiness depends on. Happiness is the root of misfortune." Chuang Tzu says, "Safety and danger can be transformed into each other, and disaster and happiness can be cause and effect of each other." Over and over again, the Chinese nation has turned crises into opportunities and driving forces for moving forward, presenting a magnificent scene of surviving from a desperate situation, heading off dangers and turning the tables.

The changes and pandemic unprecedented in a century are intertwined, and the world has entered a new period of turbulence and change. China faces many inevitable deep-seated problems in reform, development and stability. China's development has entered a period during which strategic opportunities, risks and challenges coexist and uncertainties increase. With deep insight into the time and trend and accurate grasp of crises and opportunities, Xi Jinping noted, "Crises and opportunities always coexist, and a crisis solved would be an opportunity gained."<sup>28</sup> He also said, "Be brave in sailing against the winds and be good at turning crises into opportunities."<sup>29</sup> He has built the consensus of the whole Party in coping with grand challenges, resisting major risks and overcoming significant obstacles, showing the governance wisdom of planning ahead and seizing the initiative of development.

Accurately recognize changes and be good at finding opportunities in times of crisis. The epidemic has left a huge impact on tourism, transportation, aviation, catering and other industries, while medicine, healthcare, digital economy and other fields have seen accelerating development. Recognizing the trend and grasping the nature, China has seized the opportunity to lay out new industries, open up new areas, and seize new emerging markets. China's digital economy reached 45.5 trillion yuan in 2021 and has become one of the main engines driving the country's economic growth.

Respond scientifically and be good at turning crises into opportunities. The United States has chosen to run against the historical trend, unilaterally provoking a

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<sup>28</sup> While visiting Zhejiang, Xi Jinping stressed coordinating epidemic prevention and control with economic and social development, and striving to achieve the annual social-economic development goals and tasks, Xinhua News Agency, April 2020

<sup>29</sup> Xi Jinping: To carry out the new development philosophy in the new development stage requires the fostering of a new development pattern, the Qiushi Journal, the 17th issue of 2022

trade war against China, which has extended to the fields of finance, science and technology, international public opinion and so on. China cannot be swayed by fallacies, deterred by intimidation, or cowed by pressure. The country has faced up to obstacles and advanced despite difficulties. It has firmly safeguarded its own rights and interests and focused on running its own affairs well. It has been making efforts to achieve breakthroughs in core technologies in key fields, to unswervingly deepen reform and opening up, and to win more space for its own development. China's actual use of foreign direct investment increased from 117.59 billion U.S. dollars in 2013 to 189.13 billion U.S. dollars in 2022, ranking in the top two in the world. China's basic research and original innovation efforts have been constantly strengthened. It ranked first in the world for accepted PCT international patent applications for three consecutive years from 2019 to 2021.

Take the initiative to seek changes and be good at creating opportunities. Economic globalization has encountered a counter-current, the international economic circulation pattern has undergone a deep adjustment, and the pandemic has intensified the anti-globalization trend. Xi Jinping observed the trend and put forward the major strategic task of creating a new development pattern. This is based on the domestic situation and is also connected with the world, highlighting the strategic consideration of making the first move and taking the initiative.

Xi stressed the need to have a deep understanding of the new development stage with its new features and requirements, and to actively meet challenges, carry forward a fighting spirit, and strive to turn crises into opportunities.<sup>30</sup> Handling well the relationship between crises and opportunities is to be more mindful of potential dangers, to be prepared to deal with worst-case scenarios and strengthen fighting spirit and capability. Adopting correct strategies and fighting spirit to respond to the changing situation, foster new opportunities and open up new chapters.

### **3.3 Handle well the relationship between supply and demand -- Mutual promotion, dynamic balance**

Supply and demand are two sides of economic development, and they are eternal propositions of economics.

China is both the world market and the world factory. It has a population of more than 1.4 billion, with a middle-income population of over 400 million, making it a super-large market with the most potential globally. China also has the largest manufacturing system, with the most complete list of categories in the world, and has a strong supply capacity to support positive interplay between domestic and

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<sup>30</sup> At a symposium held by the CPC Central Committee to solicit opinions from non-Party members on drafting the CPC Central Committee's proposals for formulating the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035, Xi Jinping chaired and made an important speech. Li Keqiang, Wang Yang, Wang Huning and Han Zheng attended the meeting. Xinhua News Agency, October 2020

international economic flows. It is essential for China's economy to handle well the relationship between supply and demand.

Xi Jinping pointed out that the supply side and demand side are two basic means of macro-economic management and regulation.<sup>31</sup> The report to the 20th CPC National Congress describes the need to "integrate the implementation of the strategy to expand domestic demand with the efforts to deepen supply-side structural reform" as a major strategic measure based on the changes in the development environment at home and abroad, and the missions and tasks of the CPC on the new journey of the new era, which reflects how Xi Jinping's economic thought handles well the relationship between supply and demand.

To handle well the relationship between supply and demand, the key is to find out the principal contradictions and the principal aspects of the contradictions. China's economic development has entered a new normal, and the principal contradiction in economic operation has changed from insufficient aggregate demand to the supply structure not adapting to changes of the demand structure, while the principal aspect of the contradiction has shifted to the supply side. China has proposed to implement the supply-side structural reform in a timely manner to improve the quality and efficiency of the supply system and better adapt to, lead and create new demand by optimizing the allocation of factors through reform.

Implementing the strategy of expanding domestic demand is an effective way to cope with external shocks and stabilize the economy. The sluggish recovery of the global economy may further lead to fluctuating and shrinking external demand. Also, some countries are trying to hinder China's economic development and structural upgrading via decoupling with China and breaking supply chains. Domestically, China's economy is bearing a threefold pressure -- demand contraction, supply shocks and weakening expectations. Also, the growth of total factor productivity has been constrained. Therefore, it is urgent to invigorate both the supply and the demand to expand effective demand and promote the adjustment of production functions, so as to foster new competitive advantages.

In 2022, China produced and sold 7,058,000 and 6,887,000 new-energy vehicles (NEVs), respectively, a year-on-year increase of 96.9 percent and 93.4 percent. It has led the world in NEV production and sales for eight consecutive years. This is a clear indication that China has properly managed the relationship between supply and demand. It has gained momentum by building a new layout in its manufacturing sector and unleashed the potential of the country's super-large market, so that new growth opportunities have been created owing to a good interplay between supply and demand.

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<sup>31</sup> Xi Jinping: Speech delivered at a special seminar for leading cadres at provincial and ministerial levels to study and implement the spirit of the fifth plenary session of the 18th CPC Central Committee, the People's Publishing House, 2016

Since the 18th National Congress of the CPC, the strategy of expanding domestic demand has been integrated with the deepening of supply-side structural reform. Emphasis has been placed on making the domestic economic cycle smooth, breaking bottlenecks in supply chains, linking together production, distribution, circulation and consumption, and fostering a complete system of domestic demand. Also, the dynamic equilibrium in which demand triggers supply and supply creates demand has been formed at a higher level and at a quicker pace, so as to effectively bolster high-quality development.

### **3.4 Handle well the relationship between the internal and the external -- Linking domestic and international markets and smoothing the dual circulation**

The internal and the external are not only physical indicators. In dialectics, they form a contradictory and correlated pair, ranking primary and secondary, respectively, in terms of significance. For instance, the unremitting effort at self-improvement and the open-mindedness to help the world are two of the outstanding Chinese cultural traditions. Those two virtues illustrate exactly the wisdom of integrating the internal with the external.

Xi Jinping attaches great importance to China's relationship with the world. When the Standing Committee members of the Political Bureau of the 20th CPC Central Committee met with Chinese and foreign journalists, he noted that "China cannot develop in isolation from the world, and the world needs China for its development."<sup>32</sup> "We will be steadfast in deepening reform and opening up across the board and in pursuing high-quality development, so as to create more opportunities for the world with our own development,"<sup>33</sup> he said.

"Building a new pattern of development that is focused on the domestic economy and features positive interplay between domestic and international economic flows"<sup>34</sup> represents the dialectical thinking on the relationship between the internal and the external in Xi Jinping's economic thought.

To handle well the relationship between the internal and the external, the foothold should be ourselves.

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<sup>32</sup> Xi Jinping: Speech Delivered When Members of the Standing Committee of the Political Bureau of the 20th CPC Central Committee Met the Press, the Qiushi Journal, the 22nd issue of 2022

<sup>33</sup> Xi Jinping: Speech Delivered When Members of the Standing Committee of the Political Bureau of the 20th CPC Central Committee Met the Press, the Qiushi Journal, the 22nd issue of 2022

<sup>34</sup> When visiting the members of the economic circles attending the third session of the 13th National Committee of the Chinese People's Political Consultative Conference, Xi emphasized continuing to analyze the economic situation with a comprehensive and dialectical long-term perspective, and striving to find new opportunities in the crisis and break new ground in the changing situation. Wang Yang participated in the visit and discussion. Xinhua News Agency, May 2020

Xi Jinping pointed out profoundly that we must stand on our own feet, make the domestic economy move smoothly, and build “poison-proof and diamond-hard bodies”. Only in this way, can we withstand the changing situation in the world, and survive and develop with vitality. No one can bring us down or stop us.<sup>35</sup>

China is facing more and more difficulties and risks on its way forward. The country must move ahead or it will fall behind, and it must be prepared to stand the great test of rough waves. We should adhere to the development of the country and the nation on the basis of our own strength, unswervingly promote high-quality development, and always face the external uncertainties with the certainty of our own development.

To handle well the relationship between the internal and the external, the key is promoting high-standard opening up.

China is promoting reform by opening up, actively fostering a world-class business environment that is market-oriented, law-based and internationalized, and steadily expanding institutional opening up with regard to rules, regulations, management and standards. The country will also leverage the strengths of its enormous market, attract global resources and production factors with strong domestic economy, and amplify the interplay between domestic and international markets and resources.

Xi Jinping has said that "One is the strategic goal of achieving national rejuvenation, the other is the world experiencing a level of change unseen in a century. This is the prerequisite to planning our work."<sup>36</sup> Xi Jinping's economic thought grasps the relationship between the domestic and international developments from the strategic level of coordinating the national goal and changing global conditions, and it will bring development opportunities in the adjustment and evolution of the global economic landscape, and lay a solid foundation for the great rejuvenation of the Chinese nation with high-quality development.

### **3.5 Handle well the relationship between making and breaking -- Bringing in the new before discarding the old through coordinated planning**

Phasing out the old and bringing in the new are a pair of dialectical concepts relating to change and innovation. It contains the wisdom of ancient sages on facilitating both abolishment and establishment and discarding the old in favor of the new, and reveals the basic law of development.

In the face of the multiple tasks of economic and social development, Xi Jinping's economic thought focuses on the relationship between "breaking" and "making". In practice, it calls for a balance between the two, instead of simply replacing "making" with "breaking" or emphasizing "breaking." Xi Jinping has

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<sup>35</sup> Xi Jinping: Major issues concerning the strategy for medium- and long-term economic and social development of China, *Qiushi Journal*, the 21st issue of 2020

<sup>36</sup> Xi Jinping: *The Governance of China (III)*, Foreign Languages Press Co. Ltd., 2020

stressed that we should "be brave in 'breaking' and good at 'making',"<sup>37</sup> selecting between the two with a dialectical approach and pushing for new development.

The correct way of balancing "breaking" and "making" lies in coordinated planning, which combines the establishment of a holistic view and the realization of key breakthroughs, and optimizes economic governance from a systemic perspective.

Be brave to break the old and make the new, and the two shall be done abreast. There is no making without breaking, and big breaking leads to big making. The essence of reform and innovation lies in the process of breaking and making. Since the 18th CPC National Congress, the country has continuously abolished the old and established the new, with both bold "breaking" and coordinatedly-planned "making". It shows the wisdom of integrating the part and the whole, and combining the treating of symptoms with addressing causes. For example, China has established its new development philosophy and abolished the one-sided political performance evaluation based on GDP. It has started the supply-side structural reform to dissolve the structural imbalance between supply and demand. It has broken the deep-seated institutional barriers by comprehensively deepening reform so as to modernize the country's national governance system and capacity with Chinese institutions.

The relationship between breaking and making lies in the philosophy of making the new first before breaking the old.

"We cannot throw away our rice bowl in hand before getting a new one," Xi noted when he attended the deliberation of the Inner Mongolia delegation during the annual "two sessions" in March 2022. When talking about China's active and prudent work toward the goals of reaching peak carbon emissions and carbon neutrality, he said, "Green transformation is a process of hard work, and cannot be accomplished in one stroke. The new should be made first before getting rid of the old."

In the face of the violent fluctuation of the international energy market, China bases itself on the domestic conditions of rich coal reserves, sticks to the bottom line of energy security, works actively and prudently toward the goals of reaching peak carbon emissions and carbon neutrality, achieves safe and stable energy supply, and provides support for stable economic and social development.

Imbalances and inadequacies in development remain a prominent problem on the new journey. It is therefore more necessary to balance "making" and "breaking," remain problem-oriented and apply systemic thinking, so as to break new ground for high-quality development.

### **3.6 Handle well the relationship between the long term and the short term -- Building on the present and setting sights on the future**

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<sup>37</sup> The CPC Central Committee convened a meeting for non-party personages on the current economic situation and economic work in H2. Xi Jinping chaired and delivered an important speech. Li Keqiang gave a briefing. Liu Yunshan and Zhang Gaoli attended the meeting. Xinhua News Agency, July 2015

Success relies on the correct methods. One of the secrets of the CPC leading the people from one victory to another is building on the present while planning for the long term.

From the “two-step” plan and the “three-step” development strategy, from building a moderately prosperous society in all respects to the “two-step” strategic plan on building China into a great modern socialist country in all respects, and from the first Five-Year Plan to the 14th Five-Year Plan, all of these have embodied the political advantage of the centralized and unified leadership of the CPC. The Party has set goals and plans based on different stages in accordance with the long-term strategy, effectively coordinated overall and partial interests, long-term and short-term interests, and united all parties to achieve common goals. Just by following this logic, the grand goal of a Chinese path to modernization is gradually becoming a reality.

Xi Jinping attached great importance to coordinating the relationship between the present and the future. Xi said, "For the pressing issues, we should talk and act quickly, refraining from being dilatory. For long-term tasks, we should maintain strategic focus and patience, and stick to one blueprint till the end with lasting efforts."<sup>38</sup> The annual Central Economic Work Conference held in late 2022 stressed the need to better coordinate short-term and long-term development, meaning both doing current work well and taking future development into consideration.

The road is long and full of obstacles, but the destination could be reached with perseverance. Xi Jinping's economic thought attaches great importance to the relationship between long-term and short-term in much of the work of long-term planning. To implement the goals and tasks set by the CPC's 20th National Congress, Xi Jinping urged efforts to "both focus on the present and take a long-term view, and do more things that lay the foundation for long-term benefits."<sup>39</sup> To deepen the supply-side structural reform, he emphasized "starting from resolving the current outstanding contradictions, focusing on building a long-term institutional mechanism, and reshaping the medium and long-term economic growth momentum."<sup>40</sup> To promote common prosperity, he stressed to "follow a step-by-step approach, fully

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<sup>38</sup> Xi Jinping delivered an important speech at the opening ceremony of a training program for young and middle-aged officials at the Party School of the CPC Central Committee (National Academy of Governance), asking them to build a solid foundation consisting of ideal and faith, establish a correct view on political achievements, and to leave regretless hard-working footprints on the new journey of the new era. Wang Huning attended the event. Xinhua News Agency, March 2022

<sup>39</sup> At the first group study session of the Political Bureau of the CPC Central Committee, Xi Jinping emphasized comprehensively studying, grasping, and implementing the spirit of the 20th CPC National Congress and striving for new successes in building a modern socialist country in all respects. Xinhua News Agency, October 2022

<sup>40</sup> During the 38th group study session of the Political Bureau of the CPC Central Committee, Xi Jinping emphasized taking the supply-side structure as the main direction to push the economy toward high-quality development. Xinhua News Agency, January 2017

estimate the long-term, arduous, and complex nature of common prosperity, and encourage local governments to explore effective paths in light of local conditions, sum up experience, and gradually promote it."<sup>41</sup>

Promoting the rejuvenation of the Chinese nation comprehensively with the Chinese path to modernization is a long-term historical process, which requires both seizing every minute and making lasting efforts. The CPC has led the Chinese people to embark on a new and great expedition to build China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

## **Chapter 4 Providing Answers to Questions About Global Economic Development -- Global Significance of Xi Jinping's Economic Thought**

Facts have shown once again that amidst the raging torrents of a global crisis,

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<sup>41</sup> At the 10th meeting of the Central Committee for Financial and Economic Affairs, Xi Jinping stressed efforts to promote common prosperity through high-quality development and coordinate work on forestalling major financial risks. Li Keqiang, Wang Yang, Wang Huning, and Han Zheng attended the meeting. Xinhua News Agency, August 2021

countries are not riding separately in some 190 small boats, but are rather all in a giant ship on which our shared destiny hinges. Small boats may not survive a storm, but a giant ship is strong enough to brave a storm.<sup>42</sup>

-- Xi Jinping

Great thinking holds great power that transcends time and space.

Based on a full understanding of the fast-changing world from a historical perspective, Xi Jinping's economic thought creatively puts forth the important idea of boosting sound development of economic globalization. From the strategic perspective of building a community with a shared future for humanity, the thought calls for steering economic globalization to see it become more open, inclusive, balanced and beneficial for all.

Setting focus on the future of global development, a matter of humanity's future, Xi Jinping's economic thought puts development first, and advocates openness and cooperation and the idea of a shared future. It offers China's strength, approach and vision to efforts in solving global development issues.

#### **4.1 Stay committed to development as a priority and contribute strength to narrowing the global development gap**

Development is an abiding pursuit of human societies. The United Nations' Declaration on the Right to Development affirms that the right to development is an inalienable human right. However, against a backdrop in which the COVID-19 pandemic deals a heavy blow to global economic recovery, the North-South divide is widening, and the Human Development Index has gone in reverse for the first time over the last 30 years, the development agenda is being politicized and marginalized, and global development is at a crossroads.

"Development holds the master key to solving all problems."<sup>43</sup> Xi Jinping has stressed on many occasions that in addressing global issues, the focus should be set on the fundamental issue of development. In a statement during the 76th session of the UN General Assembly in September 2021, Xi Jinping proposed the Global Development Initiative (GDI). He urged countries around the world to take a people-centered approach, put development high on the global macro-policy agenda, work together to steer global development toward a new stage of balanced, coordinated and inclusive growth, and build a global community of development with a shared future.

Xi Jinping offered six proposals for advancing the GDI: staying committed to development as a priority, to a people-centered approach, to benefits for all, to innovation-driven development, to harmony between man and nature, and to result-oriented actions. Guided by such thinking, China has been making development a top priority and has proven that problems arising from development can only be

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<sup>42</sup> "Special address by Xi Jinping at the 2022 World Economic Forum Virtual Session", Xinhua News Agency, January 2022

<sup>43</sup> "Address by Xi Jinping at the opening ceremony of the Johannesburg Summit of the Forum on China-Africa Cooperation", Xinhua News Agency, December 2015

solved through development.

China is the largest developing country and the second largest economy in the world. Sustaining sound and stable economic and social development, China is making a major contribution to the world. Over the last 10 years, the share of China's economy in the global total had gone up from 11.4 percent in 2012 to more than 18 percent<sup>44</sup>, and China finished building a moderately prosperous society in all respects as scheduled. From 2013 to 2021, China contributed an annual average of 38.6 percent to global economic growth, higher than the contribution figure of G7 economies put together, and this made China the most powerful engine for global economic growth.<sup>45</sup>

China has contributed important strength to the world with its development achievements. Since the 18th National Congress of the Communist Party of China in 2012, China has waged the largest and most vigorous battle against poverty, benefiting the most people in human history. In 2020, China announced that it had lifted all impoverished rural residents out of poverty by current standards, meeting the poverty reduction goal of the UN 2030 Agenda for Sustainable Development 10 years ahead of schedule. Jim Yong Kim, former president of the World Bank, described China's achievements in ending poverty as "one of the great stories in human history."<sup>46</sup> In its development, China successfully balanced efficiency and equity, and solved problems that Western economics had found hard to tackle, offering important references and an alternative path for developing countries.

China has been contributing to global development and taking concrete action on international cooperation in development. Since it was proposed, the GDI has won the support of more than 100 countries and international organizations, and close to 70 countries have joined the Group of Friends of the GDI. UN Secretary-General Antonio Guterres said that the initiative is of great significance to boosting international cooperation and helping implement the UN 2030 Agenda for Sustainable Development, and that it will serve as a catalyst for developing countries, small and medium-sized countries in particular, to accelerate development.<sup>47</sup>

With Xi's support, China has been actively participating in global governance and South-South cooperation. China initiated the China-UN Peace and Development Fund, and the Global Development and South-South Cooperation Fund, and delivered development assistance to more than 160 countries in need. It is also the G20 member state that offered the highest amount of deferred debt to developing countries. China

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<sup>44</sup> The third session of a series of press conferences on "China Over the Last Decade" by the Publicity Department of the Communist Party of China Central Committee, May 2022

<sup>45</sup> "Drastically improved composite strength and substantially enhanced international influence: part 13 of the report on China's economic and social development since the 18th National Congress of the Communist Party of China", National Bureau of Statistics, September 2022

<sup>46</sup> "China's approach to poverty reduction: a miracle in humanity's history of fight against poverty", Xinhua News Agency, October 2018

<sup>47</sup> "Wang Yi presides over the Ministerial Meeting of the Group of Friends of the Global Development Initiative", Xinhua News Agency, September 2022

established the Institute of South-South Cooperation and Development as a platform to share the experience of China and developing countries in state governance and foster top-notch talent for developing countries. The institute has played an important role in South-South cooperation.

#### **4.2 Adhere to mutual benefit and win-win principle, and share China's solution for promoting opening-up and cooperation**

The world today is fraught with uncertainties and confronted with impacts of various “black swan” and “gray rhino” events. Economic globalization is facing headwinds, and the course of world economic recovery is full of risks and challenges. Xi Jinping's economic thought advocates openness and win-win cooperation. It underlines tearing down walls rather than erecting walls, opening-up rather than isolation, and integration rather than decoupling, so as to better adapt to and navigate economic globalization and bring greater benefits to every country and nation.

As a Chinese saying goes, the trend of the world is unstoppable. Xi Jinping's economic thought grasps the general trend and stands at the forefront of the times. It always emphasizes firmly standing on the right side of history and on the side of human civilization. As Xi said, economic globalization is the trend of the times. Though countercurrents are sure to exist in a river, none could stop it from flowing to the sea.<sup>48</sup> “Pursuing protectionism is like locking oneself in a dark room. While wind and rain may be kept outside, dark room will also block light and air.”<sup>49</sup>

In the autumn of 2013, Xi Jinping put forward the major initiatives of jointly building the Silk Road Economic Belt and the 21st Century Maritime Silk Road. This global public good, proposed and vigorously promoted by China, is becoming China's plan to participate in global opening-up and cooperation, improve the global economic governance system, promote global common development and prosperity, and promote the building of a community with a shared future for humanity. It has been critically acclaimed by more and more countries. The main content of the Belt and Road Initiative (BRI) is to promote infrastructure construction and interconnectivity, align policies and development strategies of various countries, deepen practical cooperation, promote coordinated and interconnected development and achieve common prosperity.<sup>50</sup>

Thanks to the BRI, for the first time, East Africa has its expressway, Maldives has built its inter-island bridge, Belarus is able to produce passenger vehicles, and Kazakhstan is connected to the sea. About three quarters of the countries in the world have signed agreements on Belt and Road cooperation with China. Based on the Silk Road spirit of peace and cooperation, openness and inclusiveness, mutual learning and mutual benefit, the Belt and Road cooperation has opened up new space for

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<sup>48</sup> “Special address by Xi Jinping at the 2022 World Economic Forum Virtual Session”, Xinhua News Agency, January 2022

<sup>49</sup> Keynote speech by Xi Jinping at the opening session of the World Economic Forum Annual Meeting”, Xinhua News Agency, January 2017

<sup>50</sup> Elements of Xi Jinping's Economic Thought, People's Publishing House and Xuexi Publishing House, June 2022

global economic growth, produced new platforms for international trade and investment and offered new ways of improving global economic governance. It has made new contributions to improving people's well-being in all countries and has become a path of opportunity and prosperity for all.<sup>51</sup>

China firmly supports economic globalization and adheres to a high standard of opening-up. Xi Jinping called for continuous efforts to see the process of reform and opening-up through.<sup>52</sup> "China's door will never be closed. It will only open still wider."<sup>53</sup> Xi led the effort to launch the China International Import Expo -- the world's first import expo held at the national level; to build the China International Fair for Trade in Services with the theme of "Global Services, Shared Prosperity," to hold the China International Consumer Products Expo to display and trade international consumer products; and to promote the formation of a national "exhibition matrix." Xi also led the endeavor to transform China's opening-up from one based on the flow of goods and factors of production to one based on institutions; to foster a market-oriented, law-based and world-class business environment; to make the Chinese market a global market, a shared market and a market for all; to inject more positive energy into the international community; and to effectively counter the backlash of protectionism.

China's proposal has won positive responses from global partners and has delivered concrete results. China's pragmatic measures of opening-up and cooperation have proved that the act of decoupling goes against both the law and science. In 2022, despite the downward pressure on the world economy, China's foreign trade reached a new level. Its total value of imports and exports in goods reached 42.07 trillion yuan, an increase of 7.7 percent over 2021, and China has remained the largest country in goods trade for six consecutive years. Over the past 10 years, China's overall tariff level has dropped to 7.4 percent from 9.8 percent in 2010, and its imports have increased by more than 50 percent, making it the world's second largest importer. With a more open mind, China has shared the dividends of opening-up with the rest of the world and opened a harmonious and magnificent new chapter in China's cooperation with other countries in the world.

### **4.3 Pursue a shared future and provide Chinese ideas for improving global governance**

In October 2021, a short film "Elephants' Journey in Yunnan" attracted worldwide attention. The elephants in Yunnan Province, which headed northward and then returned south, have become an example showing China's efforts to promote the harmonious coexistence between man and nature. By jointly enhancing the carbon sink capacity of ecosystems and protecting biological diversity, China has contributed

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<sup>51</sup> Elements of Xi Jinping's Economic Thought, People's Publishing House and Xuexi Publishing House, June 2022

<sup>52</sup> "Xi Jinping's remarks at a gathering celebrating the 40th anniversary of the reform and opening-up", Xinhua News Agency, December 2018

<sup>53</sup> "Keynote speech by Xi Jinping at the opening of the Boao Forum for Asia Annual Conference 2018", Xinhua News Agency, April 2018

to promoting global green development.

Faced with global governance problems such as heightened constraints on global environmental resources and rising protectionism, Xi Jinping put forward and expounded a major initiative to build a community with a shared future from the perspective of the future of mankind. Upholding the principle of “developing ourselves to help others” with the well-being of the world in mind, and sharing the same future with the world, the initiative has offered the guiding philosophy to solve global governance problems.

“All flowers in full blossom make a beautiful spring.”<sup>54</sup> “The interests to be considered should be the interests of all.”<sup>55</sup> “Living things that are nourished will not injure one another; roads that run parallel will not interfere with one another.”<sup>56</sup> “We are not alone on the Great Way and the whole world is one family.”<sup>57</sup> ... The concept of “sharing a common future,” derived from fine traditional Chinese culture, contributes Chinese wisdom and solutions to the efforts of all countries to create a better future for mankind.

In the efforts to promote the upgrading of global governance, the theory and content of building a community with a shared future for mankind have been constantly enriched and fine-tuned, making it more tangible and in-depth. The Global Development Initiative puts promoting development and safeguarding people’s livelihoods front and center in global macro-policies. The Global Security Initiative emphasizes that security is the premise of development. Working for a global community of health for all, China has actively engaged in international cooperation against COVID-19 to jointly defend people’s lives and health. With the efforts to build a community of life for man and nature, the country has announced the goals and timetable for carbon emissions peaking and carbon neutrality and advocated jointly promoting the development of global ecological civilization. The vision of building a community with a shared future for humanity advocated by China is “the only future for humanity on this planet,” said Peter Thomson, president of the 71st Session of the UN General Assembly.

China works with partners to uphold true multilateralism, the international system underpinned by the UN, the international order anchored on international law, and the multilateral trading system with the WTO at its core, take an active part in global economic governance, and make the global governance system more just and reasonable.

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<sup>54</sup> “Keynote speech by Xi Jinping at the opening ceremony of the 1st China International Import Expo”, Xinhua News Agency, November 2018

<sup>55</sup> “Work together to build a China-ASEAN community of a shared destiny, Xi Jinping’s speech at the People’s Representative Council of Indonesia”, Xinhua News Agency, October 2013

<sup>56</sup> “Carry forward the Five Principles of Peaceful Coexistence to build a better world through win-win cooperation, address by Xi Jinping at a meeting marking the 60th Anniversary of the Initiation of the Five Principles of Peaceful Coexistence”, Xinhua News Agency, June 2014

<sup>57</sup> “ Xi Jinping delivers New Year speech for 2021”, Xinhua News Agency, December 2020

Xi Jinping put forward the concept of global economic governance that is equal, open, cooperative and sharing. China is committed to continuously optimizing global economic governance by actively participating in the reform of the WTO, engaging in cooperation with the United Nations, the G20, APEC, BRICS and other mechanisms, initiating the establishment of the Asian Infrastructure Investment Bank and setting up the Silk Road Fund, and building a globally oriented network of high-standard free-trade zones.

Martin Jacques, a British scholar, pointed out that the development concept contained in Xi Jinping's economic thought is not only China's development philosophy, but also should be the common development philosophy of the whole world. This will bring benefit not only to the Chinese people but also to people all over the world, and to the future of mankind.

While pursuing happiness for the Chinese people and the rejuvenation of the Chinese nation, the Party has also contributed to human progress and global harmony. China has always been a builder of global peace, a contributor to global development and a defender of international order. As Xi Jinping said in the report to the 20th National Congress of the CPC, although this is an era fraught with challenges, it is also an era brimming with hope. The Chinese people are ready to work hand in hand with people across the world to create an even brighter future for humanity.

## **Chapter 5 Exploring the Origin -- Xi Jinping's Stories of Economic Governance While Working as Local Official**

When working in different localities, Xi Jinping put forward a series of new ideas, new ways of thinking and new measures concerning economic work. His years of solid practice on the ground have enriched his experience and enhanced the depth of his theoretical thinking, laying a solid foundation for his economic thought to take shape and evolve.

## 5.1 Xi Jinping in Zhengding

From March 1982 to May 1985, Xi Jinping worked for more than three years as deputy chief and chief of the CPC committee of Zhengding County in north China's Hebei Province. During this time, he established a good rapport with local officials and the public, got to know every village through in-person visits, fought on the frontline of reform and opening-up, comprehensively advanced work on different spheres, and obtained a political reputation with remarkable achievements. "Zhengding is where I got started in local governance," Xi once said. Starting with Zhengding, Xi deepened his thinking on economic work day by day and continuously put his ideas into practice. He conducted in-depth investigations and research, gave full play to Zhengding's comparative advantages, and creatively put forward the idea of a "semi-suburban economic model" to promote the coordinated development of urban and rural areas. He has respected and cherished talent, and led the formulation of the widely commended "nine policies for talent attraction," clarifying that "talent is the foundation of the country's prosperity."<sup>58</sup> He has also recruited a broad talent pool and accelerated Zhengding's economic development.

### **"Semi-suburban economic model" - benefiting urban areas, advancing rural prosperity, and promoting coordinated development**

To the north of the old town of Zhengding is a vast countryside, and 15 kilometers to its south is Shijiazhuang City, capital of Hebei Province.

In 1982, following in-depth investigations and study, Xi Jinping pinpointed Zhengding's location, a rural-urban fringe area, and creatively proposed the idea of a "semi-suburban economic model." The essence of this development model allowed Zhengding to capitalize on both urban and rural areas. By providing services to and digging into the purses of urban residents, Zhengding developed its economy and increased its locals' incomes.

How was this "semi-suburban economic model" developed? The Zhengding County committee initially made a plan to "rely on and serve cities, infiltrate the market in Shijiazhuang, enter the markets of Beijing and Tianjin, seize the markets of Shanxi and Inner Mongolia, and do businesses across the country." In a vivid description of the plan, Xi devised an idiomatic operational guide, catering to the needs and wants of cities, putting the strengths of others to use and adapting to the

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<sup>58</sup>The Communist Party of China committee of Zhengding County, the People's Government of Zhengding County "Provisions on Further Emancipating the Mind, Relaxing the Policy and Accelerating the Economic Development of the County," March 1983

changes of others to that effect<sup>59</sup>. It is clear that this "semi-suburban economic model" is very targeted, viable and keeps pace with the times.

Under the guidance of this development approach, Zhengding vigorously developed diversified businesses, and its economic development rapidly accelerated. In order to sell Zhengding's farm and sideline produce to Beijing, Shijiazhuang and other big cities, Xi worked as a "salesman" on many occasions. At that time, Beijing strictly restricted vehicles registered in other provinces from entering the city, and it was not easy for farmers to sell goods in Beijing. Xi encouraged locals to produce marketable products, and spared no effort to communicate and coordinate to find long-term business cooperation partners for Zhengding. Zhengding's pork, eggs, fruits and other products thus landed in stable and reliable markets. From 1982 to 1984, Zhengding's gross industrial and agricultural production doubled, and the per capita income of local farmers more than doubled, rising from 148 yuan (about 21 U.S. dollars) to more than 400 yuan<sup>60</sup>.

From the local to the central government, and from one city and region to the whole country, Xi has been consistent in valuing coordinated development.

#### **"Nine policies for talent attraction" - making full use of talent, the prime resource**

Xi Jinping has always respected and cherished talent. He has noted that talent is an important indicator of a country's comprehensive strength. National development depends on talent, and national rejuvenation depends on talent<sup>61</sup>.

In 1983, Xi Jinping presided over the formulation of "Provisions on Further Emancipating the Mind, Relaxing Policy and Accelerating the Economic Development of the County," which is now widely known as Zhengding's "nine policies for talent attraction." According to the provisions, all scientific and technical personnel coming to Zhengding could share the profits of or receive a one-time payment for each project. A then fresh take on talent recruitment arose. All those with expertise were welcome, including those with problematic family background, complex social connections and people who erred but already corrected their faults.

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<sup>59</sup> Xi Jinping in Zhengding, Party School of the Central Committee of the Communist Party of China, 2019

<sup>60</sup> Xi Jinping in Zhengding, Party School of the Central Committee of the Communist Party of China, 2019

<sup>61</sup> "Xi Jinping stresses the importance of implementing the strategy to develop a quality workforce in the new era and accelerating work to build China into a major world center for professional talent and innovation at a central conference on talent-related work. Li Keqiang presides over the meeting. Li Zhanshu, Wang Yang, Zhao Leji and Han Zheng attend the meeting. Wang Huning delivers a speech." Xinhua News Agency, September 2021

Failures in research projects were allowed, and those in charge were not held accountable. Wages and fares were not affected. The county also built offices and residential buildings for talent transferring to Zhengding, and provided shuttle services and paid allowances to experts, scholars and professors who gave lectures in Zhengding.

Yearning for talent, Xi often visited people with expertise in person. His nighttime meeting with Wu Baoxin is an oft-told story. Wu was an engineer who had mastered a new technique to make foot powder. At that time, he wrote to Xi to express his willingness to work in Zhengding after reading the "nine policies for talent attraction." It was getting late in the evening when Xi received the letter, but he and the then county magistrate of Zhengding immediately set off for Tangu Community in Qiaodong District of Shijiazhuang, where Wu lived. There were dozens of buildings in the community. Not knowing Wu's specific address, they went from house to house.

It was past 10 p.m. and they still could not find Wu's home. The county magistrate said "Let's call it a day and continue in the morning." "We are not leaving. We need to find Wu Baoxin today," Xi replied firmly. "I will shout his name from south to north, and you will shout from east to west," he said. The pair thus shouted "Wu Baoxin" loudly throughout the community, and finally found who they were looking for. Wu was very moved and invited them to discuss the matter in his home. Finally, the project was established smoothly in Zhengding. Less than one year after it was put into production, the company made a net profit of 300,000 yuan.

Xi Jinping has attached great importance to giving full play to the role of talent, and established a county advisory group composed of more than 50 people, including famous mathematician Hua Luogeng, economist Yu Guangyuan and other famous experts.

## **5.2 Xi Jinping in Fujian**

"Take the Milky Way to make the sky clear, the mountains and waters of Fujian are fresh and new." From June 1985 to October 2002, Xi Jinping worked in Fujian Province for 17 and a half years, and successively held important positions in Xiamen, Ningde, Fuzhou, the Fujian Provincial Committee of the Communist Party of China, and the provincial government of Fujian, and made a series of practical explorations and conceptual innovations which were forward-looking, pioneering and strategic. Xi once said with deep affection, "Fujian is my second hometown."

Fujian is an important breeding ground of Xi's economic thought and a place where it was put into practice. For example, in Xiamen, Xi was courageous to explore new ground in the construction of the special economic zone and took the lead to launch a series of reforms and opening up policies and measures, providing theoretical basis and practical support for deepening reform and expanding opening up. In Ningde, he dedicated deep thinking and unremitting efforts to the issue of poverty reduction, and put forward propositions and implementation paths such as "how weak birds fly first" and "boosting the confidence before relieving poverty." He

attached great importance to the development of the private economy, and summed up and put forward the "Jinjiang Experience." Xi once pointed out, "Some of the thoughts and explorations I made while working here are still being thought about and deepened in my later work, and some of them have been put into practice on a larger scale across the country."<sup>62</sup>

### **"Jinjiang Experience": An Important Instrument for the Development of Private Economy**

"The Jinjiang River flows eastward, breaking and plowing tens of thousands of clouds and lands." Jinjiang, with the spirit of "daring to be the first in the world and striving hard to win," has transformed from a "high-yield but poor county" with a large population and little land, to "No. 1 in Fujian" and "Top 10 in China" with a developed private economy, creating the "Jinjiang Experience" with distinctive characteristics and rich connotation.

While working in Fujian, Xi visited Jinjiang seven times in six years. At that time, Jinjiang took the lead in economic development among county-level regions in Fujian, and its private sector was booming but also faced "growing pains." Xi then conducted investigations and research, with private enterprises as the focus. Every time he visited the enterprises, he carefully asked whether they had introduced new technologies and developed new products, how the market was developed, how the enterprise could become bigger, and what difficulties they encountered. For many times, he encouraged the enterprises to be market-oriented and do a good job in market innovation. In August and October 2002, he published signed articles twice, summarizing and putting forward "Jinjiang Experience" with "Six Adherence" and "Correctly Handling Five Relations" as its core connotations.

In June 2000, Xi went to the Fengzhu Knitting Bleaching and Dyeing Industry Co., Ltd. to conduct research and investigations. He visited workshops and laboratories, and learned about technical problems from researchers in detail. Xi was very happy to hear that the enterprise was preparing to go public, pointing out that Jinjiang private entrepreneurs should move from a family system to a joint-stock system. He also emphasized the importance of technological progress and innovative spirit to enterprises, and encouraged enterprises to do a good job in technological innovation. In December of that year, Fengzhu Company completed the joint-stock reform and was listed on the Shanghai Stock Exchange in April 2004, becoming the only company in Jinjiang listed on the domestic main board at that time.

Over the years, under the guidance of "Jinjiang Experience," Jinjiang has blazed a path of county-level regional development supported by the private economy and the real economy. Currently, private enterprises account for 98 percent of the total in

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<sup>62</sup> "I have deep feelings for the mountains, rivers, grass, and trees here" -- A record of Xi Jinping's inspection tour to Fujian at the beginning of the implementation of the 14th Five-Year Plan, Xinhua News Agency, March 2021.

Jinjiang, with 16 regional industrial brands on the national level such as China Shoe Capital. It has also built two industrial clusters for textile and clothing and shoe manufacturing, with the total value of each exceeding 100 billion yuan (about 14.53 billion U.S. dollars), and five industrial clusters for building material products, food and beverage, paper products, equipment manufacturing and chemical fiber, with the total value of each exceeding 10 billion yuan. It also has more than 700 enterprises worth over 100 million yuan each and more than 50 enterprises listed at home and abroad. A number of leading industrial enterprises have also emerged.

Since the 18th CPC National Congress, Xi has repeatedly mentioned "Jinjiang Experience." He emphasized that "Jinjiang Experience" is still instructive and put forward important instructions such as "focusing on developing industry," "allowing all types of firms to innovate," and "carrying forward entrepreneurial spirit." The "Jinjiang Experience" has been continuously improved and developed in practice and has played a vital role in developing China's private economy.

### **Building Xiamen Special Economic Zone: A Key Move of Reform and Opening Up**

Embracing the vast ocean, Xiamen has hosted visitors from around the world. The city has been a trading port since ancient times as well as a gateway for China's opening up and external cooperation. It is also one of the four earliest special economic zones in the country. From June 1985 to June 1988, Xi successively served as Member of the Standing Committee of the CPC Xiamen Municipal Committee, vice mayor, and executive vice mayor of Xiamen. He once recalled, "to work in the special economic zone was the first time that I took a leadership position at the municipal level, the first time that I directly participated in the work of reform and opening up in the more developed coastal region, and the first time that I personally engaged in the development and management of a city."<sup>63</sup>

Adamant about pressing ahead with reforms, Xi was brave enough to blaze new trails in Xiamen. He once said, "The socialist cause will never progress without reform and opening up." He also noted that "reforms might present risks, but the country needs pathfinders who, when they succeed, will provide experience for and play an instrumental role in the country's future reforms." He proposed the principle of "small government, big society" for the first time in China, supported financial institutions in operating like enterprises, and oversaw the establishment of investment companies by overseas Chinese, regional insurance institutions, and a center in Xiamen to regulate foreign exchange. The bold, pragmatic, and effective measures of reform injected great vitality into Xiamen's economic and social development. He also led the formulation of a strategy for Xiamen's economic and social development from 1985 to 2000, which outlined the city's strategic position, guiding ideology,

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<sup>63</sup> "Exploration and Practice of Xi Jinping in Promoting the Construction and Development of Xiamen Special Economic Zone," Xinhua News Agency, June 2018.

objectives, priorities, course of action, and served as a strategic blueprint for the medium- and long-term development of the city.

"Xiamen," he wrote in a 1986 speech, "means 'the gate of a mansion.' We can also view it as the gate of opening up to the outside world and sincerely hope that it will develop faster and better." He once led a research team to Singapore and organized China's first international seminar on export processing zones and free ports. After years of development, the Xiamen Special Economic Zone has evolved, with a deepening level of opening up, from an export processing zone, a bonded zone, a coordinated bonded port zone, and a bonded port area to a pilot free trade zone.

### **Poverty Alleviation: Promoting the Development of Less-developed Ningde**

Xiadang Township in Shouning County of Ningde Prefecture is tucked deep in the mountains in eastern Fujian. Covered mostly by mountains and with scarce farmland, Xiadang had for a long time been a place with no roads, no tap water, no electric lighting, no fiscal revenue, and no government offices.

While working in Fujian, Xi made three arduous trips to Xiadang. During his first visit on July 19, 1989, he spent five hours by car and four and a half hours on foot visiting ordinary villagers and worked a total of 14 hours that day from 6 a.m. to 8 p.m. Many accompanying cadres even developed blisters on their feet from excessive walking on the mountain roads. "I will never forget the trip for the rest of my life," Xi said emotionally. "We will feel ashamed in the face of our fellow villagers if Xiadang is not lifted out of poverty."<sup>64</sup>

Xiadang was a typical place in Ningde where poverty hindered development at that time. From June 1988 to June 1990, Xi served as the secretary of the CPC Ningde Prefectural Committee. Working in the less-developed eastern Fujian following a stint in Xiamen, Xi thought deeply and at length about how to lift a region out of poverty. Leading cadres and the people in pursuing development, he supported poor regions in getting a head start, advocated a coordinated economic growth model, and stressed the importance of making persistent efforts in seeking development.

Xi pointed out that it is necessary to have the consciousness of "flying first," put forward the idea of "boosting the confidence before relieving poverty," pointed out that "ideas cannot be 'poor' even if local areas are poor," and clarified that ideas, including "being content with a poor life," "being poor and at ease," "just waiting for, relying on and asking for the poverty-relief fund," and blaming other people for all faults and wrongs, should be abandoned. Xi stressed "boosting the confidence before relieving poverty" many times, which can be seen in his poverty-alleviation thinking during his tenure in Ningde.

In practice, Xi emphasized adapting to local conditions. He pointed out that in order to make weak birds fly early, fast and high, it is necessary to explore ways to develop an economy according to local conditions. For example, in agriculture, he put

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<sup>64</sup> "Xi Jinping in Ningde," The Central Party School Press, 2020

forward the idea that "if you live on a mountain, you live off the mountain; if you live by the sea, you live off the sea," which provides accurate guidance for the development of forestry, tea, fruit and fishery in different areas. Moreover, regarding how to develop township enterprises in poverty-stricken areas, Xi pointed out that we must seek four footholds of "experts," "agriculture," "specialty" and "outside."

Now, when reporters walk into Xiadang Township, they will be impressed by marvelous and picturesque views of mountains, bridges and streams, while the air is filled with the smell of flowers, fruits and tea. After decades of joint efforts, Xiadang Township has developed from "Siberia" in Shouning to a well-known "new landmark of red tourism."

### **Building "Digital Fujian": Seizing the Commanding Heights of Science and Technology**

Ahead of the National Day in 2000, a "Digital Fujian" Project Proposal" was placed on the desk of Xi who was then the governor of Fujian.

In a full page of instructions, Xi put forward that "to implement the strategy of revitalizing the province through science and education, we must seize the commanding heights of science and technology. Building 'Digital Fujian' reflects one of the most important commanding heights of science and technology in the world today." Soon after that, "Digital Fujian" was written into the outline proposal of the 10th Five-Year Plan put forward by the CPC Fujian Provincial Committee. Xi served as head of the leading group of the Fujian Provincial Government for the construction of "Digital Fujian."

"Digital Fujian" was a major work deployment and construction practice led and promoted by Xi in Fujian, which profoundly affected the economic and social development of Fujian and became the exploration source and practical starting point of the construction of digital China.

Xi asked cadres and civil servants to strengthen efforts in "eliminating information illiteracy." He wrote in the article "Digital Fujian Coming to Us" published in February 2002: "Informatization is the general trend of today's world economic and social development, and it is a key step to the optimization and upgrading of industries and achieving modernization both in our country and in our province. None of the four modernizations can do without informatization."

Driven by Xi, the construction of "Digital Fujian" paid attention to the combination of top-level design and systematic endeavor from the beginning, such as formulating information resource sharing policies and breaking down the barriers of "information islands." Xi also put forward the idea of "making 'Digital Fujian' close to society, people and life." He specially visited Huqian Community located in Gulou District, Fuzhou City, and learned on the spot whether the residents' internet access speed was fast enough and whether the automatic meter reading system for hydropower was accurate enough. After years of exploration and practice, the construction of "Digital Fujian" has led to remarkable achievements. From

establishing a unified provincial-, municipal-, and county-level e-government information network system for the first time, to the fact that the province's digital economy exceeded 2 trillion yuan, and the successful hosting of the 5th Digital China Summit, Fujian has made great progress in such terms as e-government, digital economy and smart society.

### **"3820" Strategic Project: Drawing a Blueprint for the Future**

The city of Fuzhou is surrounded by mountains and rivers. People there were afraid of water and fire, because most houses were made of wood. When a fire broke out in one house, a large area of the city would suffer together. Whenever the Minjiang River flooded, houses would fill with water. Hence, the city was given the nickname "Paper Fuzhou City."

A cross-century strategic project, named the "3820" strategic project, has brought about the transformation from "Paper Fuzhou City" to "Happy Fuzhou City".

In 1993, Xi, then Party chief of Fuzhou, presided over "Fuzhou City's 20-Year Economic and Social Development Strategic Vision," which systematically planned the goals, steps, layout and key points of the three-year, eight-year and 20-year economic and social development of Fuzhou, defined the grand goal of "building a modern international city," and established the general program and general plan for Fuzhou's long-term development.

Under Xi's leadership, Fuzhou organized tens of thousands of people to complete questionnaires, thousands of people to do research, and hundreds of people to discuss the strategy. A total of 1,627 officials completed 367 research reports on 581 topics. The research groups went to Guangdong, Hainan, Shanghai, Beijing and other places to learn from their advanced experience. The municipal Party committee convened experts and scholars in various fields and business leaders, and successively held dozens of different types of consultation meetings. Xi also asked for a questionnaire to be published in the Fuzhou Evening News, asking for suggestions from citizens. Within half a month, 28,785 answer sheets with 24,536 suggestions were collected. The enthusiasm of the people for participation was so high that an elderly retired couple drove around the city for several days, making more than 10 suggestions on urban transportation and the commodity network.

"Today, as we stand at the source of creating the future, we should establish a sense of advancement and dare to lead the times," Xi wrote in the preface of "Fuzhou City's 20-Year Economic and Social Development Strategic Vision." With the implementation of the "3820" strategic project, Fuzhou has ushered in great changes, and achieved a leap from "sitting in the back row" to courageously striving for the best, from "Paper Fuzhou City" to a livable and happy city, and from a riverside city to a coastal city.

Xi laid out the plan with a forward-looking vision, and promoted the construction of "Golden Triangle Economic Circle at Minjiang Estuary" and "Fuzhou

at Sea" as important components of the "3820" strategic project. At that time, some people wondered, "How can we manage the sea when the land is not well developed yet?" Standing at the forefront of the times, Xi proposed to "attach as much importance to sea areas as to cultivated land, and as much to marine development as to food production, so as to extend the tentacles of speeding up economic development from land to sea." Thus, Fuzhou sounded the horn of "marching to the sea" and developed into a coastal city with one of the most active marine economies.

At the 7th Party congress of Fuzhou in August 1995, Xi made clear the goal of "striving to build a modern international city." That is, on the basis of the "3820" strategic project, Fuzhou will strive to join the ranks of the international advanced cities after another 20 or 30 years. "The development of a city should not only consider the medium- and long-term development goals of 10 years and 20 years, but also consider the long-term development goals of 30 years, 50 years or even hundreds of years," he pointed out. "Cadres and people at all levels and departments should be closely linked, and strive for common goals, thinking and working in the same direction."

### **5.3 Xi Jinping in Zhejiang**

From October 2002 to March 2007, Xi Jinping served as deputy secretary of the CPC Zhejiang Provincial Committee, acting governor of Zhejiang Province, and secretary of the CPC Zhejiang Provincial Committee. While working in Zhejiang for more than 1,600 days, Xi Jinping traveled over all 90 counties, cities and districts in Zhejiang, and put forward a series of important statements and concepts that became an important source of his strategy for governing the country after becoming general secretary of the CPC Central Committee.

The strategy of "making full use of eight advantages and implementing eight major measures" laid an important foundation for Zhejiang to promote high-quality development and take the lead in carrying out the demonstration of common prosperity in China. The concept of "lucid waters and lush mountains are invaluable assets" was written into the CPC Constitution and has become the scientific basis for China's pursuit of green development. "Promoting a new leap forward in the private sector" became a vivid illustration of upholding the principle of "unswervingly consolidating and developing the public sector of the economy, and unswervingly encouraging, supporting and guiding the development of the private sector of the economy", to promote the development and growth of the private sector.

#### **"Lucid waters and lush mountains are invaluable assets": Sowing the seeds of green development**

Located in the hinterland of the Yangtze River Delta, Anji County in Zhejiang Province has green mountains and flowing rivers, with a vegetation coverage rate of 96 percent. At the entrance of Yu Village of Anji County, a sentence was written in bright red on a stone tablet: "Lucid waters and lush mountains are invaluable assets."

This is the origin of the concept of "lucid waters and lush mountains are invaluable assets".

On Aug. 15, 2005, Xi Jinping, then secretary of the CPC Zhejiang Provincial Committee, visited Yu Village and put forward for the first time that "lucid waters and lush mountains are invaluable assets". Yu Village had once developed a "stone economy" by selling high-quality limestone mined from mountains. The village was covered in dust and smoke all year round. At the beginning of the 21st century, the village shut down all cement plants and mines to improve the environment.

During the visit, Xi Jinping said: "It is a brilliant move for you to shut down the mines." "We used to say that we wanted both lucid waters and lush mountains, as well as mountains of gold and silver. In fact, lucid waters and lush mountains are invaluable assets."<sup>65</sup>

A few days later, Xi Jinping published a commentary in a column for Zhejiang Daily, pointing out that lucid waters and lush mountains can bring mountains of gold and silver, but mountains of gold and silver can't buy lucid waters and lush mountains. The two have contradictions, but can be dialectically unified at the same time.<sup>66</sup>

Under the guidance of this concept, Yu Village has formed a new type of rural ecological economy, in which the village can attract tourists and develop agriculture at the same time. In an interview with Xinhua News Agency in October 2022, Wang Yucheng, Party chief of the village and head of the village committee, said that Yu Village has been a direct beneficiary of the concept of "lucid waters and lush mountains are invaluable assets", with villagers' per capita disposable income increasing sevenfold in the past decade.

The concept of "lucid waters and lush mountains are invaluable assets" opened a new path for Zhejiang's development. In 2019, the province passed the acceptance test of the pilot project of national ecological province construction. Since the 18th CPC National Congress, the level of public satisfaction with the ecological environment in Zhejiang Province has increased for 11 consecutive years.

Since the 18th CPC National Congress, Xi Jinping has made theoretical summaries and interpretations of the concept more profoundly and systematically on many occasions.

In 2013, he put forward the theory of "lucid waters and lush mountains are invaluable assets," featuring coordination between conservation and development, on the international occasion for the first time. In October 2015, the Fifth Plenary Session of the 18th CPC Central Committee put forward a philosophy of innovative, coordinated, green, open and shared development for the first time. In 2017, the concept was written into the CPC Constitution.

This concept profoundly reveals the dialectical unity between development and conservation. It promotes economic development and ecological conservation in China at the same time, and injects positive energy into the harmonious coexistence between man and nature on a global scale.

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<sup>65</sup> Xi Jinping's Footprints in Zhejiang, Zhejiang People's Publishing House, 2022

<sup>66</sup> Lucid Waters and Lush Mountains Are Invaluable Assets, Zhejiang Daily, August 2005

### **Promote the development of the private economy: adhere to the "two unswervingly" principle**

Zhejiang, one of the important birthplaces of China's private economy, is home to more than 9 million market entities, meaning there is one "boss" in every seven people based on its permanent resident population.<sup>67</sup> Vigorously developing the private economy was one of the tasks Xi Jinping attached great importance to during his stay in Zhejiang.

When he worked in Zhejiang, Xi once said, "the biggest advantage of the province is the first-mover advantage of the private economy. I have been thinking about how to leverage this advantage."<sup>68</sup> He reiterated that the private economy represented the vitality of Zhejiang. It is necessary to continue to encourage, support and guide the development of the non-public economy, and state-owned and private enterprises should be treated equally. He also led the formulation of a series of policies and measures to promote the new development of the private economy.

During his survey in local areas of Zhejiang, Xi often paid visits to private companies, taking heed of their difficulties and demands. In December 2002, he visited some major private-economy cities -- Ningbo, Taizhou and Wenzhou. During the trip, Xi highlighted several keywords, including rebuilding advantages, deepening reform and improving the work style.<sup>69</sup>

"I am very concerned about the development of the non-public economy. If the company has important issues in the future, you can come directly to Hangzhou and meet me in my office," Xi said to Nan Cunhui, CHINT Group's chairman, during his inspection visit to the company.<sup>70</sup> In 2003, in response to the requirements of the Zhejiang provincial Party committee and provincial government, the company planned to implement an internationalization strategy to build itself into an advanced electrical appliance manufacturing enterprise. Xi spent almost two hours in his office patiently listening to Nan's report and gave positive encouragement. Now, recalling the meeting at the time, Nan is still deeply moved.

A slew of policy measures have significantly invigorated private enterprises in the province. In the 2022 list of China's top 500 private companies, Zhejiang had 107 companies listed, ranking first for 24 consecutive years.<sup>71</sup> More importantly, the private and the state-owned economies in Zhejiang have been integrating with each other, complementing each other and developing side by side.

### **The Green Rural Revival Program: not a single person should be left behind**

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<sup>67</sup> Zhejiang: Governments and enterprises work together to open a new chapter in development, Xinhua News Agency, January 2023

<sup>68</sup> Xi Jinping's Footprints in Zhejiang, Zhejiang People's Publishing House, 2022

<sup>69</sup> Xi Jinping's Footprints in Zhejiang, Zhejiang People's Publishing House, 2022

<sup>70</sup> Xi Jinping in Zhejiang, CPC Central Committee Party School Publishing House, 2021

<sup>71</sup> All-China Federation of Industry and Commerce: China's Top 500 Private Companies 2022, September 2022

### **in the pursuit of moderate prosperity in all respects**

In June 2003, Xi Jinping, then secretary of the CPC Zhejiang Provincial Committee, initiated the Green Rural Revival Program. He planned to renovate about 10,000 incorporated villages in the next five years and transform about 1,000 central villages among them into examples of moderate prosperity in all respects.<sup>72</sup>

Ahead of the Chinese Lunar New Year in 2003, Xi braved rain and snow to visit Hengkantou Village located at an old revolutionary base in Yuyao City of Zhejiang. Xi looked solemn when he saw that there was no public toilet in the whole village and many families still used open-air feces tanks. During a discussion, he said, "Only when people in old revolutionary base areas become rich, can Zhejiang truly achieve common prosperity. Only when people in old revolutionary base areas live a well-off life, can Zhejiang truly turn into a well-off society in an all-round way."<sup>73</sup>

With the promotion of the Green Rural Revival Program, Hengkantou Village, which was once impoverished and backward, had long become a well-off and civilized village by developing red tourism and utilizing green resources. On March 1, 2018, more than 2,000 villagers in Hengkantou Village excitedly spread the news that they received a reply from the Party's top leader. The villagers wrote a letter to Xi on February 10, telling him the latest development of the village, but didn't expect him to reply soon. Although 15 years had passed, Xi had always been concerned about the villagers here and was pleased with the development of the village.

Great changes have also taken place in Xiajiang Village, Chun'an County, which is 300 kilometers away from Hangzhou and also a grassroots work base for Xi when he worked in Zhejiang. He went to Xiajiang Village four times for investigation and wrote letters twice to encourage villagers. Adhering to the concept of green development, Xiajiang Village has changed from "the dirty, chaotic, and poor" to "the green, wealthy, and beautiful." The reporter learned that the per capita disposable income here in 2021 reached 46,959 yuan, more than 20 times that of 20 years ago. "The great changes in the small mountain village benefited from Xi's care and the guidance of the strategy of 'making full use of eight advantages and implementing eight major measures,'" said Jiang Lijuan, Party chief of Xiajiang, also a delegate to the 20th CPC National Congress. "Don't forget the well-diggers when you drink from the well. Those who get rich first should help and drive others to get rich together."

Under the guidance of the strategy of "making full use of eight advantages and implementing eight major measures," the Green Rural Revival Program, Mountain-Sea Collaboration Project, and other projects got implemented successively in Zhejiang. A large number of poor mountain villages have become ecological and well-off by utilizing green resources, expanding agriculture based on unique local features, and cooperating with developed districts and counties for development.

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<sup>72</sup> Painting a new picture of beautiful rural areas in the new era -- a documentary report of Xi Jinping promoting the Green Rural Revival Program, Xinhua News Agency, April 2018

<sup>73</sup> Painting a new picture of beautiful rural areas in the new era -- a documentary report of Xi Jinping promoting the Green Rural Revival Program, Xinhua News Agency, April 2018

More and more villagers began enjoying a better life. In 2015, Zhejiang became the first province in China to complete the task of poverty alleviation at a high level.<sup>74</sup> In the past 10 years, the income gap between urban and rural residents in Zhejiang has narrowed from 2.37 fold to 1.94 fold, and the gap between the highest and lowest incomes of local residents has narrowed from 1.76 fold in 2013 to 1.61 fold.<sup>75</sup>

During Xi Jinping's tenure in Zhejiang, he pointed out that there should be no blind spots in the modernization drive, and not a single village, town, or person should be left behind in the pursuit of moderate prosperity in all respects.<sup>76</sup> Xi has been committed to the concept of "not a single person should be left behind" throughout his work, whether it's winning the battle against poverty, building a moderately prosperous society in an all-around way, or promoting common prosperity steadily.

#### **5.4 Xi Jinping in Shanghai**

From March to October 2007, Xi served as the secretary of the CPC Shanghai Municipal Committee. At that time, Shanghai was at a crucial stage of reform and development.

During his tenure of seven months and four days as Shanghai's Party chief, Xi traveled to all the districts and counties to conduct rounds of investigations and studies, and proposed a series of plans and requirements.

In the Pudong New Area, he emphasized that reform and opening-up is the fundamental driving force of development<sup>77</sup>, and provided guidance for the development of pilot free trade zones and higher-level opening-up.

At a meeting of the Standing Committee of the CPC Shanghai Municipal Committee, he pointed out that serving the Yangtze River Delta region is the foundation of serving the entire Yangtze River basin and even the whole country, and that it is the prerequisite for enhancing the economic central city's function of energizing and facilitating the development of its surrounding areas<sup>78</sup>. With these words, he expounded the key principles of Shanghai's inclusion in China's national strategy of the integrated development of the Yangtze River Delta and coordinated regional development.

When learning about sci-tech innovation work, he noted that implementing the strategy of invigorating the city through science and education development is the key for Shanghai to develop itself into an innovative city<sup>79</sup>. His remarks enriched the connotations of "innovative development."

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<sup>74</sup> Xi Jinping's Footprints in Zhejiang, Zhejiang People's Publishing House, 2022

<sup>75</sup> Press conference on China in the past decade with the theme of Zhejiang, August 2022

<sup>76</sup> Xi Jinping's Footprints in Zhejiang, Zhejiang People's Publishing House, 2022

<sup>77</sup> Xi Jinping's Footprints in Shanghai, People's Publishing House, 2022

<sup>78</sup> Xi Jinping's Footprints in Shanghai, People's Publishing House, 2022

<sup>79</sup> Xi Jinping's Footprints in Shanghai, People's Publishing House, 2022

### **Innovative development: Let the Chinese airliner soar**

At 9:19 a.m. Dec. 9, 2022, a C919, China's domestically-developed large passenger aircraft, was delivered to its first customer, China Eastern Airlines. As the airliner's main developer, the Commercial Aircraft Corporation of China, Ltd. (COMAC) also turned over a special key to its customer as a memorabilia. This is a key to the gate of the Chinese airliner's market and the gate of China's civilian aircraft development.

From the approval of the project in 2006 to the delivery of the airliner in 2022, the C919 project has undergone a painstaking journey of design, manufacture, flight test and eventual commercialization.

Xi has put great emphasis on China's large aircraft development. "We must exert much effort to take our own large aircraft to the sky," he said.

In 2007, the development of China's homegrown regional jetliner ARJ21 entered the critical phase of assembly. On Sept. 20 that year, a convention was held to ensure the jetliner was ready to fly in the year that followed. Although it wasn't as significant as the completion of assembly or the maiden flight, Xi still attended the event, and expressed the wishes that the jetliner would soar in the sky with pride.

Seven years later in May 2014, Xi, who by then had become general secretary, visited COMAC on an inspection tour. He boarded the C919 exhibition model and learned about the design of the airliner.<sup>80</sup>

To develop China into a great country, we must develop our equipment manufacturing industry, said Xi, adding that the development of large aircraft will be a leading project in this regard and become an example.

The lobby was full of people who arrived after finding out about Xi's visit. "The general secretary shook hands with the designers, workers and test pilots," recalled Hu Shuangqian, a machining worker from the company.

Xi told the people present that China was the largest market for airplanes, noting that some used to say that China ought to buy or rent airplanes instead of making them. However, it should be the other way around, Xi said, adding that China ought to provide greater financial support for the development and manufacture of domestic large aircraft.<sup>81</sup>

Large aircraft is a crown jewel of the manufacturing industry and a piece of equipment of paramount importance to a country. It energizes the development of an entire industrial chain and exhibits a country's sci-tech innovation capabilities. The development of the C919 is indeed a vivid example of how Xi attaches importance and devotes his personal efforts to advancing innovative development.

Shanghai has been resolutely advancing innovative development. With directions and care from Xi, the city took up the new task of developing an international sci-tech innovation center in 2014. Following years of endeavor, the city's R&D spending in 2022 reached 4.2 percent of its GDP. The total output value of its three leading industries, namely integrated circuit, bio-medicine and artificial intelligence, has reached 1.4 trillion yuan. At the same time, a big-science facility cluster for photon

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<sup>80</sup> "We must develop our own large aircraft", Xinhua News Agency, May 2022

<sup>81</sup> "We must develop our own large aircraft", Xinhua News Agency, May 2022

study which excels globally in terms of size, number of categories and functions is forming in the city.

Xi has more than once underscored that innovation is the primary driving force behind development<sup>82</sup>. In 2015, when taking part in the Shanghai delegation's deliberation at the annual session of the NPC, Xi noted that innovation is crucial to the country's development and future. From his perspective, development is the top priority, talent is the primary resource, and innovation is the primary driver of growth. Innovation ought to be a potent driving force for high-quality development.

### **Integrated development of Yangtze River Delta: Promoting coordinated regional development**

On May 24, 2007, the ninth CPC congress of Shanghai Municipality opened. At the congress, Xi shared his thoughts on the city's future development and role.

When making plans for Shanghai's future development, we must place it in the context of the Party Central Committee's strategic positioning of the city, the trend of economic globalization, the general landscape of China's development and the country's master plan on the development of the Yangtze River Delta region, said Xi.

These requirements are an important administrative idea proposed by Xi during his tenure in Shanghai. It exhibits clear policy orientations, a well-conceived approach and resolute sense of mission and responsibility.

Not long after taking office as Shanghai's Party chief, Xi made plans for an inspection tour to the provinces of Jiangsu and Zhejiang. Just before the tour's destinations were finalized, Xi indicated that an additional stop at the city of Yiwu in Zhejiang was required.

In late July 2007, the group of Shanghai CPC and government officials led by Xi arrived at Yiwu to visit the world's largest small commodities market. Starting from scratch, the city achieved huge economic success following years of development. This sparked heated discussions among the visitors. Many of the officials said that after the visit, the strategy of integrated development of the Yangtze River Delta had left strong impressions on them.

Xi once used an analogy to elaborate on the relationship between Shanghai and the Yangtze River Delta region. He noted that the emergence of a central city is the result of conglomerated resources and elements, and is enhanced by serving, energizing and facilitating the development of its surrounding areas. Just like a heart, when there are more arteries connected to it, giving it an abundant supply of blood, it will beat more vibrantly.<sup>83</sup>

Whether working as a regional or a central government official, Xi has always paid close attention to the integrated development of the Yangtze River Delta region.

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<sup>82</sup> Xi Jinping attends deliberation with Shanghai NPC delegation, urges Shanghai to give full play to its role as pioneer in reform, opening-up and innovative development, blaze path for building new systems for open economy, Xinhua News Agency, March 2015

<sup>83</sup> Xi Jinping's Footprints in Shanghai, People's Publishing House, 2022

After ascending to the position of general secretary, he has personally planned, directed and promoted the major strategy. At the opening ceremony of the first China International Import Expo in 2018, Xi announced the decision to make it a national strategy.

In August 2020, when presiding over a symposium held in Hefei, Anhui Province, Xi stressed focus on integration and high quality when accomplishing key tasks in the integrated development of the delta. He also called on people to work hard with a down-to-earth manner, so as to make new achievements in the advancement of the delta's integrated development.<sup>84</sup>

From infrastructure development and public service to the cultivation of industrial clusters and coordinated innovation, the Yangtze River Delta region, consisting of the provinces of Jiangsu, Zhejiang and Anhui and the city of Shanghai, focuses on integration and high quality. With long-term plans made and concrete efforts exerted, the region embodies strong impetus for integrated development. Energized by the national strategy, the delta, which takes up only 4 percent of China's land area, was able to contribute about 25 percent of China's total GDP. It has become one of the most vibrant, open and innovative regions in the country.

## **Epilogue**

Great times nurture great thoughts, and great thoughts lead great journeys.

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<sup>84</sup> Xi Jinping attends symposium on promoting integrated development of Yangtze River Delta region with concrete efforts, stresses focusing on integration, high-quality and complete key tasks, work to achieve new outcomes in advancing integrated development of delta, Xinhua News Agency, August 2020

Rooted in the time and stage of China's economic development, Xi Jinping's economic thought embodies firm ideals and convictions, a clear people-centered position, a grand global vision, and a profound practical foundation. It is committed to shooting at the "target" of developing China's economy with the "arrow" of the Marxist political economics and marks a new height of socialist political economics with Chinese characteristics. The great achievements of China's economy in the new era are the best interpretation of the wisdom for governing a major country with Xi Jinping's economic thought.

Development is a common subject faced by all countries in the world, and China has always considered its own development in the context of the common development of all humanity. Xi Jinping's economic thought gives an answer to the direction where economic globalization is headed, the question posed by the times and the world. It serves as an excellent window for the world to observe China's economy, understand China's model, and learn from China's experience.

The light of truth travels through time and space, and the great power of thought goes beyond all boundaries.

The theory is as prosperous as an evergreen tree. At present, the CPC is leading the Chinese people in advancing Chinese modernization, embarking on a new long journey filled with glories and dreams. Like a mighty ship sailing through wind and waves, China will undoubtedly press ahead and realize national rejuvenation.