

HOW TO DEEPEN REFORM COMPREHENSIVELY

XI JINPING



FOREIGN LANGUAGES PRESS

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The Party Literature Research Office of the Central Committee
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Editor's Note

In November 2012, the 18th National Congress of the Communist Party of China (CPC) made the strategic decision to comprehensively deepen reform. At its third plenary session a year later, the 18th CPC Central Committee discussed major issues concerning this decision and defined the overall objective, key tasks, major measures, timetable, and roadmap for comprehensively deepening reform. This session ushered in a new stage in China's reform and opening up that had been in place for 35 years. Comprehensively deepening reform will give strong impetus to China's socialist modernization, and will create new development opportunities for the world.

Since the 18th Congress, Xi Jinping, General Secretary of the CPC Central Committee and President of China, has made many expositions on comprehensively deepening reform and expanding opening up. We have selected extracts from these expositions and compiled them into this book, which is comprised of 274 excerpts under 12 headings from more than 70 of his writings, including speeches, comments, and directives, dating between November 15, 2012, and April 1, 2014. Some of the excerpts are published here in English for the first time.

The purpose of this book is to help readers to come to better understand the background, objectives, tasks, significance, and impact of China's efforts to comprehensively deepen reform through the eyes of the country's top leader.

Editor

June 2014

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I

**REFORM AND OPENING UP IS
THE KEY TO
REJUVENATING THE
CHINESE NATION**

Reform and opening up is a great new revolution that the Communist Party of China (CPC) has been leading the people in carrying out in the new historical circumstances. It was a choice crucial in making China what it is today. Socialism with Chinese characteristics has such remarkable vitality because of reform and opening up. China's rapid development over the past 30-plus years has rested on reform and opening up, and its future development must continue to do so. We can develop China, socialism and Marxism only by carrying out reform and opening up. Socialism with Chinese characteristics was born out of reform and opening up and is certain to thrive as it goes on.

—Excerpt from the speech “The Six Areas of Work We Must Focus on to Fully Implement the Guiding Principles of the 18th National Party Congress,” November 15, 2012, published in the journal Qiushi, No. 1, 2013

Reform and opening up is the only way to uphold and develop socialism. We must therefore carry out every aspect of governance with a spirit of reform and innovation, and constantly promote the improvement and development of China's socialist system.

—Excerpt from the speech “Focus on Upholding and Developing Socialism with Chinese Characteristics in Studying, Publicizing, and Implementing the

Guiding Principles of the 18th National Party Congress," November 17, 2012, published in the People's Daily on November 19, 2012

Only socialism can save China, and only reform and opening up can develop China, socialism, and Marxism. Over 30 years of reform and development in China enables us to see the significance of this major judgment very clearly. In the late 1970s after a decade of domestic chaos, China's economy was on the brink of collapse and our people lacked adequate food and clothing. In the face of this grave situation, Deng Xiaoping got right to the heart of the matter when he pointed out, "Our modernization program and socialist cause will be doomed if we don't make reforms now." These words opened people's eyes to reality.

...

If Deng Xiaoping had not led our Party in making the historic decision to carry out reform and opening up, there is no way our country could have achieved the development it has today. It can be said that reform and opening up was a great awakening our Party experienced in its history, and this awakening was the genesis of the great theoretical and practical creative activity of the new period. The praxis of China's development proves that Deng Xiaoping was wise to guide our Party in making the decision to implement reform and opening up. He fully deserves to be recognized as the chief architect of China's reform and opening up and the pioneer of the path of socialism with Chinese characteristics.

In the future, we will stay on this path; it is the path to make our country strong and our people prosperous. We will not only follow it unwaveringly, but also adopt new measures and elevate it to a new level.

...

Reform and opening up is the source of dynamism for development and progress in contemporary China, a powerful instrument used by our Party and people to make great strides in catching up with the times, and the only way to adhere to and develop socialism with Chinese characteristics.

—Excerpts from speeches given during a visit to Guangdong, December 7-11, 2012

Without reform and opening up, there would be no development and progress in contemporary China. Reform and opening up is a powerful driving force for developing China, socialism, and Marxism. To solve the prominent problems and challenges our country now faces as we seek further development, we must deepen reform and opening up. Reform and opening up has been a crucial move in making China what it is today, and will remain crucial to achieving the Two Centenary Goals¹ and the great

¹ The Two Centenary Goals are to finish building a moderately prosperous society in all respects by the time the CPC celebrates its centenary in 2021; and to turn China into a modern socialist country that is prosperous, strong, democratic, culturally advanced, and harmonious by the time the People's Republic of China celebrates its centenary in 2049.

rejuvenation of the Chinese nation. In the 1980s, Deng Xiaoping said, "The purpose of the reform is to lay a solid foundation for sustained development over the next decade and throughout the first half of the next century. Without the reform, there could be no sustained development. So, we should think not in terms of just three to five years, but in terms of the last 20 years of this century and the first 50 of the next. We must persist in the reform." This shows that he looked far and thought deeply. It also shows that many years ago our Party already foresaw that reform and opening up would be a long, formidable undertaking, the success of which would require sustained efforts for generations to come.

...

Socialism with Chinese characteristics is a cause that moves with the times. In this sense, reform and opening up is like a verb that only has a progressive tense, not a perfect tense. Without reform and opening up, China would not be what it is today, and nor would it have a bright tomorrow. Today, our foundation from which to drive ahead with reform and opening up is firmer than ever. However, as reform and opening up deepens, problems that occur during and following development, problems that are more general and those that are deeply rooted, as well as unfinished and newly appearing tasks all become intertwined and extremely complex. Problems that arise during reform and opening up can be best solved only through further reform and opening up.

—Excerpts from a speech at the second group study session of the Political Bureau of the 18th CPC Central Committee, December 31, 2012

Reform and opening up is a great new revolution that our Party has been leading the people in carrying out in the new historical circumstances. This revolution has taken us on an extraordinary 35-year journey since the Third Plenary Session of the 11th CPC Central Committee in 1978. Facts prove that reform and opening up is the source of the dynamism of development and progress in contemporary China. It is also a powerful instrument by way of which the Party and the people have been making great strides in catching up with the times, and it accords with general trends and popular feeling. Halting or reversing reform and opening up would lead only to a dead end.

—Excerpt from a speech at a meeting with provincial and municipal leaders in Wuhan, July 23, 2013, published in the People's Daily on July 25, 2013

Reform must be comprehensively deepened in order to achieve the ambitious blueprint drawn up at the Party's 18th National Congress for finishing building a moderately prosperous society in all respects, accelerating socialist modernization, and achieving the great rejuvenation of the Chinese nation. Reform must be comprehensively

deepened to adhere to and develop socialism with Chinese characteristics, constantly drive forward its improvement, further release and develop the productive forces, and continue to fully unleash the creative dynamism of the whole of society. Reform must also be comprehensively deepened in order to solve prominent problems and difficulties facing our development, achieve sustained and healthy economic and social development, and constantly improve our people's quality of life.

—Excerpt from a speech at a meeting with non-CPC members held by the CPC Central Committee, September 17, 2013, published in the People's Daily on November 14, 2013

More than 60 years ago our Party led the people in a long and arduous struggle culminating in the founding of the People's Republic of China. More than 30 years ago the Party led the people in initiating China's reform and opening up. These two major events significantly accelerated the historical process of achieving the great rejuvenation of the Chinese nation.

—Excerpt from a speech at a meeting with the new leading body of the All-China Federation of Trade Unions, October 23, 2013

It has been 35 years since the 11th CPC Central Committee adopted the historic decision at its third plenary session to shift the focus of the work of the Party and the country to economic development and to carry out reform and opening up. It is owing to our tireless efforts in carrying forward reform and opening up that the Chinese people, our socialist country, and the CPC have changed so profoundly, and China has achieved an important standing in the international community.

...

At present, extensive and profound changes are occurring in the domestic and international environment. China faces prominent problems and challenges in its development as well as many difficulties and problems on the road ahead. For example, unbalanced, uncoordinated, and unsustainable development remains a big problem; our capacity for scientific and technological innovation is not strong; our industrial structure is distorted; our growth model is still too resource intensive; the development gap between urban and rural areas and between regions is still large; income disparities are striking; social problems are increasing significantly; there are many problems affecting the people's vital interests in education, employment, social security, medical services, housing, the environment, food and drug safety, workplace safety, public security, law enforcement, and administration of justice; some people still lead a tough life; formalism, bureaucratism, hedonism, and extravagance are all serious problems; some sectors are prone to corruption and other forms of misconduct; and

the fight against corruption remains a serious challenge. The key to solving these problems is to deepen reform.

...

Each third plenary session of the CPC Central Committee since the reform and opening up policy was introduced has focused on how to deepen reform. This sends an important signal that our Party has always been, and will continue to be, committed to holding high the banner of reform and opening up and to upholding the theories, line, principles, and policies laid out since the Third Plenary Session of the 11th CPC Central Committee. In a word, these plenary sessions have provided answers about which banner to hold and what kind of path to take in a new historical context.

...

The 18th CPC Central Committee placed comprehensively deepening reform at the top of the agenda for its third plenary session. This is an important declaration and expression of our Party's determination to continue following the guidance of Deng Xiaoping Theory, the important thought of Three Represents, and the Scientific Outlook on Development; and to remain dedicated to implementing its basic line and basic program, carry forward its basic experience, fulfill its basic requirements, and hold high the banner of reform and opening up in this new situation.

...

The aim of Chinese Communists throughout the process of revolution, development and reform has always been to solve the practical problems China has faced. And

so we can say that it is the need to solve problems that has compelled reform, and it is the constant solving of problems that has deepened reform.

...

Over the past 35 years, we have used reform to solve many problems hindering the development of the cause of the Party and the country. But as we continue to understand the world and transform it, new problems will replace old ones, and our institutions will need constant improvement. This is why reform is not something that can be accomplished overnight or done once and for all.

...

Reform and opening up is a great new revolution carried out by the people under the leadership of the Party in the new era. It is the most defining feature of contemporary China, and the most distinctive banner of our Party. Over the past 35 years, what has our Party relied on to inspire the people, unify their thinking, and pool their energy? What has it relied on to stimulate the creative spirit and dynamism of all our people? What has it relied on to achieve rapid economic and social development in China and gain a comparative advantage in competition with capitalism? It has relied on reform and opening up.

...

At present, people inside and outside the Party and in China and abroad are showing great interest in our reform and opening up, and the whole Party and all sectors of society have high expectations for it. Reform and opening up has now reached a new critical juncture. We must never

waver on the reform and opening up policy, and we must continue to hold high the banner of reform and opening up, and maintain the correct orientation of socialism with Chinese characteristics.

—Excerpts from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

Reform and opening up is a great new revolution carried out the people under the leadership of the Party in the new era. Over the 35 years since the Third Plenary Session of the 11th CPC Central Committee, reform and opening up has proven to be a powerful instrument by way of which the Party and the people have been making significant headway in catching up with the times. It has also proven to be the key to maintaining the dynamism of the Party and the country, the most prominent feature of contemporary China, and the most distinctive character of contemporary Chinese Communists.

...

Comprehensively deepening reform has a bearing on the future of the cause of the Party and the people, and it affects both the foundation of the Party’s governance and its position as the governing party. We need to hold high the banner of reform and opening up throughout the course

of socialist modernization, and we must not waver in the slightest.

...

Looking back over the history of reform and opening up, we can see that every major reform has injected new life into the development of the Party and the country, and has strongly advanced our cause. The cause of the Party and the people is moving forward in waves as we continue to deepen reform, and is constantly progressing as reforms are expanded from trials to general application and from parts to the whole. Without reform and opening up, we would not be in the great position we are in today.

...

The most important achievement of our 35 years of reform and opening up is the creation and development of socialism with Chinese characteristics, which has provided a powerful impetus and effective guarantee for socialist modernization. Reform is the path for a country and a nation to survive and develop. Looking forward, we have no alternative but to deepen reform and opening up if we are to solve the difficult problems that affect development, diffuse risks and meet challenges that arise in different areas, and spur on sustainable, sound economic and social development.

...

All over the world reform is the trend of the times, the will of the people, and a vast and mighty historical trend. Countries will thrive if they follow the trend, and perish if they oppose it. To lead an unprecedented and great cause like

ours, the worst thing we could do is to have rigid thinking, become stuck in a rut or close ourselves off. We can't allow ourselves to become complacent because of achievements made through reform and development or because of the praise it receives, and we certainly can't rest on the laurels of those who came before us.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

One's social existence determines one's social consciousness. The reason that the theories, line, principles and policies our Party has put forward and is currently implementing are correct, is that they are based on China's present social being. The integrated plan made at the Third Plenary Session of the 18th Central Committee to comprehensively deepen reform in China takes our country's present social being as its starting point. In other words, it starts from the current overall material conditions of society, and from China's basic conditions and development requirements.

—Excerpt from a speech at the 11th group study session of the Political Bureau of the 18th CPC Central Committee, December 3, 2013

At this new historical starting point, our cause is both noble and sacred, and our responsibilities are both heavy and honorable. To achieve the great rejuvenation of the Chinese nation, we must remain resolute in carrying reform and opening up forward. Without reform and opening up, China would not be what it is today; and if we were to depart from reform and opening up, China would not have a bright tomorrow. The Third Plenary Session of the 18th CPC Central Committee has sounded a clarion call to comprehensively deepen reform. We need to deepen our understanding of how reform and opening up itself works, boldly tackle tough problems, dare to meet challenges head on, eliminate flaws in all institutions and mechanisms, and strive to open up broader prospects for socialism with Chinese characteristics.

—Excerpt from a speech at a meeting commemorating the 120th anniversary of the birth of Mao Zedong, December 26, 2013, published in the People's Daily on December 27, 2013

Reform and opening up was launched at the Third Plenary Session of the 11th CPC Central Committee in 1978. Over 35 years have passed since then, during which time it has achieved impressive success. However, we still need to continue to make progress. This is why we have set forth the Two Centenary Goals. At present, economic globalization is proceeding rapidly, competition in overall national strength

is intensifying, and the international situation is complex and volatile. We believe that on a fundamental level, China still has to rely on reform and opening up to seize opportunities, meet challenges, and achieve new and greater development. Trying to gain ground in the midst of fierce international competition is like sailing against the current: you either forge ahead or fall behind.

—Response to a question in an interview with a Russian television station in Sochi, Russia, February 7, 2014, published in the People’s Daily on February 9, 2014

Our ancestors taught us, “As Nature thrives through self-regeneration, so should a man of noble character ceaselessly strive for self-improvement” and emphasized, “If we can improve ourselves in a day, we should do so each day, forever building on improvement.” Striving to get ahead in tough international competition is like rowing against the current: you either advance or fall behind. Problems compelled us to begin reform, and reform has deepened through the constant solving of problems. We stress that reform and opening up is like a verb that only has a progressive tense, not a perfect tense. China’s reform has already entered a deep-water zone, in which all the remaining problems are the ones that are toughest to solve. Courage is needed to proceed undeterred by the difficulties ahead and constantly push reform forward.

—Excerpt from a speech at the College of Europe in Bruges, Belgium, April 1, 2014, published in the People's Daily on April 2, 2014

II

**REFORM AND OPENING UP
HAS TO IT AN ORIENTATION,
A STANDPOINT, AND
UNDERLYING PRINCIPLES**

Our reform and opening up has to it an orientation, a standpoint, and underlying principles. Of course, we must hold high the banner of reform, but our reform is one that constantly advances along the path of socialism with Chinese characteristics. We will take neither the old path of being closed and ossified, nor the erroneous path of abandoning socialism.

—Excerpt from a collection of speeches given during a visit to Guangdong, December 7-11, 2012

Reform and opening up is a profound revolution and must move in the right direction along the correct path. Our direction determines what path we take, and the path we take determines our destiny. Our country has been able to achieve great success in reform and opening up because we ensure that the Party's basic line is the lifeline of the Party and the country and we always integrate our central task—economic development—with two basic points—the Four Cardinal Principles and the reform and opening up policy—in our great endeavor to build socialism with Chinese characteristics. We will take neither the old path of being closed and ossified, nor the erroneous path of abandoning socialism.

...

We cannot make generalizations about China's reform lagging behind in some given respect. It is true that some reforms have proceeded more quickly or slowly in certain

respects or at particular times, but on the whole, it is incorrect to say reform is occurring in some respects and not in others. The question is what to change and what not to change. Certain things that are not being changed now, will never be changed. We cannot slavishly imitate other countries. The world is developing and society is progressing. Failure to reform and open up would lead us to a dead end. Carrying out reform and opening up in a way that contradicts socialism would also lead us to a dead end. We must be keenly aware of the direction in which we are heading. We will keep giving impetus to the improvement and development of socialism, and will not set out on a new path. We need to adhere to the Four Cardinal Principles as the foundation for building our country. We should use them to ensure that we stay on the right track as we reform and open up. We should also ensure that these principles take on new meaning through reform and opening up. We need to eliminate all interference and remain firmly committed to the path of socialism with Chinese characteristics.

—Excerpts from a speech at the second group study session of the Political Bureau of the 18th CPC Central Committee, December 31, 2012

When we say socialism with Chinese characteristics is socialism, we mean that no matter how we carry out reform and opening up, we will always adhere to the path, theories, and system of socialism with Chinese characteristics, and to

the basic requirement set forth at the 18th National Party Congress to win new victories in developing socialism with Chinese characteristics.

—Excerpt from a speech at a workshop for new members and alternate members of the CPC Central Committee on studying and implementing the guiding principles of the 18th National Party Congress, January 5, 2013

In the face of new circumstances, new tasks and new demands, in comprehensively deepening reform it is integral that we step up efforts to form an environment for fair competition, invigorate economic and social development, improve government efficiency and performance, achieve social equity and justice, make society more harmonious and stable, and improve the Party's leadership skills and governance capacity.

—Excerpt from the speech "Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform," November 9, 2013, published in the People's Daily on November 16, 2013

We must further emancipate our minds, further emancipate and develop the productive forces, and further

emancipate and boost social dynamism. These three requirements to “further emancipate” were set forth in the resolution of the Third Plenary Session of the 18th CPC Central Committee as both objectives of and conditions for reform. Emancipating our minds is a prerequisite; it is the master switch for emancipating and developing the productive forces and for emancipating and boosting social dynamism. Without emancipation of the mind, our Party would not have been able, shortly after the end of a decade of turmoil, to make the historic decision to shift the focus of the work of the Party and the country to economic development and launch reform and opening up. This decision ushered in a new era in China’s development. Without emancipation of the mind, our Party could not have consistently made the theoretical and practical innovations that have effectively eliminated risks and challenges to progress, constantly driven reform and opening up forward, and always remained at the forefront of the times. Emancipating and developing the productive forces and emancipating and boosting social dynamism are inevitable outcomes as well as an important basis of emancipating the mind.

...

The most essential and urgent task to be accomplished in order to finish building a moderately prosperous society in all respects, achieve socialist modernization and rejuvenate the Chinese nation, is to further emancipate and develop the productive forces. The purpose of emancipating our minds and emancipating and boosting social dynamism is to

better emancipate and develop the productive forces. Deng Xiaoping said, "Revolution means the emancipation of the productive forces, and so does reform." He continued, "After the basic socialist system has been established it is necessary to fundamentally change the economic structure that has hampered the development of the productive forces and to establish a vigorous socialist economic structure that will promote their development." We need to deepen reform in order to unleash the dynamism of labor, knowledge, technology, management, capital and all other factors of production, so that the fountains of social wealth can flow freely. In addition, we must correctly handle the relationship between dynamism and order. Society needs to be dynamic to make progress, but this dynamism has to be orderly. Neither a stagnant nor a chaotic situation is acceptable.

...

We stress the need to have firm confidence in the path, theories and system of socialism with Chinese characteristics. We need to have an indefatigable spirit and steadfast conviction, and we also need powerful material forces to prop up this spirit and conviction. We need to rely on constant reform and innovation to ensure that socialism with Chinese characteristics is more efficient than capitalism in emancipating and developing the productive forces, emancipating and boosting social dynamism, and promoting individuals' well-rounded development. We also need to ensure that constant reform and innovation spark greater enthusiasm, initiative and creativity among all of our people, create more favorable conditions for achieving

social progress and give us the comparative advantage in international competition, thus giving full expression to the superiority of socialism with Chinese characteristics.

—Excerpts from the speech “Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee,” November 12, 2013, published in the journal Qiushi, No. 1, 2014

The purpose of advancing reform is to constantly carry forward the improvement and development of China’s socialist system and inject new life into socialism. To achieve this purpose, it is most essential that we uphold and improve the Party’s leadership and socialism with Chinese characteristics. Deviating from this path would completely defeat the purpose of what we are striving to achieve.

...

The course of reform over the past 35 years has not always been plain sailing and there have been setbacks, but we have made historic achievements because our orientation was correct, and we exercised proper leadership and promptly corrected problems as they emerged. Today, China’s reform is faced with a very complicated domestic and international environment, and there is a clash between different ways of thinking and between different people’s interests. To read the pulse of reform from among the myriad signs and symptoms and write a good prescription

for reform in the face of divided opinion, we must have strong confidence in our strategy.

...

Many comments and suggestions from society deserve our full consideration, but some of them are somewhat extreme. Hostile forces and people with ulterior motives strive to drum up support, manufacture public opinion, and mislead the people by claiming that reform can only mean shifting toward a Western form of political system if it is to be called reform. They have ulterior motives and hidden agendas. We must have a complete understanding of this situation, stay politically staunch, and have a clear political position.

...

As an old Chinese saying goes, "Those who govern without deviating from standards, rules and laws will be assured of success in everything." Faced with a complex environment and all kinds of risks, we should have the courage to be bold, and break new ground. We must always keep the upper hand, have the resolve to reform what should and can be reformed, and leave well alone what should not be reformed. We should create the conditions to reform what should be reformed but cannot be reformed at present, proceed quickly wherever possible, and make gradual and orderly progress when quick progress is not feasible. Once we are sure what reforms are required, we should proceed with firmness of purpose and get results as soon as possible.

...

Reform led by our Party has always been comprehensive reform. The question is what to change and what not to

change. Certain things that are not being changed now, will never be changed. But this does not mean we are not reforming. The reason we are constantly pushing reform forward is to better develop the cause of the Party and the people, not to win the approval of certain people. We cannot mechanically copy Western theories and views. We must take our national conditions and the reality of economic and social development as our starting point, and advance reform in a guided and step-by-step manner. We must not seek to create a stir or do anything for show, and we must always keep reform and opening up on the right course.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

What direction should we be taking in modernizing our country's governance system and governance capacity? This is a fundamental question that we must answer correctly. In considering this question, we must fully understand the overall objective of comprehensively deepening reform. This objective is comprised of two parts: to improve and develop socialism with Chinese characteristics; and to modernize our country's governance system and governance capacity. The relationship between the two is very important. The first part specifies the fundamental orientation, which is the path of socialism with Chinese characteristics, not any other path. As I always say, we will unwaveringly take

the path of socialism with Chinese characteristics. We will take neither the old path of being closed and ossified, nor the erroneous path of abandoning socialism. The second part makes clear the direction we will take to improve and develop socialism with Chinese characteristics guided by this fundamental orientation. Only together do the two parts constitute a whole. The second part alone, without the first, is incomplete.

...

Customs and norms differ from place to place. The kind of governance system a country chooses depends on that country's historical heritage, cultural traditions, and level of economic and social development, and is decided upon by its people. Our country's current governance system has been developed and gradually improved over time, evolving naturally on the basis of our country's historical heritage, cultural traditions, and economic and social development. It needs to be improved, but how we go about improving it requires decisiveness and assuredness. If we just indiscriminately copy the institutional models of other countries without considering our own national conditions, the resulting institutional model will be like a square peg in a round hole. In fact, not only will the model fail to solve any of our practical problems, but it will have disastrous consequences.

...

We must have steadfast conviction in the path, theories, and system of socialism with Chinese characteristics. This is the spirit our nation needs. Without complete confidence in

our system, we will not find the courage to comprehensively deepen reform. Likewise, if we do not constantly reform, we will not have complete and enduring confidence in our system. We are comprehensively deepening reform not because socialism with Chinese characteristics is inferior, but rather to make it better. When we say we should have complete confidence in this system, we do not mean that we will rest on our laurels and keep the system just as it is; rather, we mean we should eliminate defects in our institutions and mechanisms in order to make our system more mature and ensure that it endures the test of time. We must not only avoid falling into the middle-income trap, but also make sure that we do not fall into the trap of Westernizing or dividing our country.

—Excerpts from a speech at a workshop for principal officials at or above the provincial and ministerial level on studying and implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and on comprehensively deepening reform, February 17, 2014

III

**THE OVERALL OBJECTIVE
OF COMPREHENSIVELY
DEEPENING REFORM:
IMPROVING AND
DEVELOPING SOCIALISM
WITH CHINESE
CHARACTERISTICS AND
MODERNIZING CHINA'S
GOVERNANCE SYSTEM AND
GOVERNANCE CAPACITY**

We will remain committed to making the improvement and development of socialism with Chinese characteristics and the modernization of our country's governance system and governance capacity our overall objective for comprehensively deepening reform. In 1992, Deng Xiaoping said that it would probably take another 30 years for us to build a complete set of mature and well-defined institutions. On the basis of his strategic thought, the decision was made at the Third Plenary Session of the 18th CPC Central Committee to modernize our country's governance system and governance capacity. This is necessary for improving and developing socialism with Chinese characteristics, and is an inseparable part of our efforts to achieve socialist modernization. We decided that the plenary session would focus on comprehensively deepening reform; not on pushing forward reform in just one, or in several areas, but in all areas. We made this decision based on our overall thinking about improving our country's governance system and governance capacity.

...

A country's governance system and governance capacity are very much reflective of that country's institutions and its ability to implement them. Our country's governance system is an institutional system under the leadership of the Party by which the country is governed. It is comprised of institutions, mechanisms, laws and regulations regarding economics, politics, culture, society, ecological progress, and Party building, and is a complete set of closely connected and coordinated institutions. Our country's governance capacity is our actual ability to use the governance system

to manage all affairs in Chinese society, including reform, development, and stability; internal affairs, foreign relations, and national defense; and Party, state and military affairs. Our country's governance system and governance capacity form an organic whole, and they complement each other. A good governance system is necessary to improve governance capacity, and improving governance capacity is requisite for a governance system to achieve maximum effectiveness.

...

To truly achieve social harmony and stability and lasting political stability, we must rely on institutions, outstanding governance capacity, and highly competent officials. We must modernize our country's governance system and governance capacity in all areas to take full advantage of the superiority of socialism with Chinese characteristics.

...

To modernize our country's governance system and governance capacity, we need to adapt to changing times by reforming institutions, mechanisms, laws and regulations that fail to keep pace with the development of praxis, while at the same time constantly establishing new ones, so that all of our institutions are more scientific and robust, and the governance of Party, state, and social affairs is more institutionalized, standardized and procedure-based. We need to work harder to improve our governance capacity, be more mindful of the need to act on the basis of institutions and in accordance with the law, and become better able to use institutions and laws to govern the country. We need to use all the strengths of our system to make our governance

more effective, and enhance the Party's capacity to govern scientifically, democratically, and in accordance with the law.

—Excerpts from the speech "Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee," November 12, 2013, published in the journal Qiushi, No. 1, 2014

As the context we are in and the tasks before us develop and change, we need to expand the path of socialism with Chinese characteristics, enrich the system of theories of socialism with Chinese characteristics and improve the socialist system with Chinese characteristics by comprehensively deepening reform.

—Excerpt from a speech at a meeting commemorating the 120th anniversary of the birth of Mao Zedong, December 26, 2013, published in the People's Daily on December 27, 2013

The overall objective of comprehensively deepening reform laid out at the Third Plenary Session of the 18th CPC Central Committee is to improve and develop socialism with Chinese characteristics and modernize our country's governance system and governance capacity. In the past we have discussed modernizing many areas including agriculture,

industry, science and technology, and national defense, but this is the first time we have discussed modernizing our country's governance system and governance capacity. A thorough, correct understanding of this overall objective is paramount to implementing all reform measures.

...

What the word “comprehensively” means in “comprehensively deepening reform” is that we need to coordinate the implementation of reforms across the board. We need to have an overall goal, and we also have to ask ourselves: What is the ultimate purpose of all of these reforms? What is the overall result we hope to achieve from them? This is what is meant by the saying, “Governance must be subject to rules and carried out in good order.”

In the past, we also laid out reform goals, but most of them pertained to specific fields. For example, we have stated that the overall aim of our political structural reform is to strengthen socialism, develop the productive forces of socialist society, foster socialist democracy, and generate enthusiasm from the people. The 14th National Party Congress stated that the aim of China's economic structural reform was to establish a socialist market economy. The 18th CPC Central Committee set forth the overall objective of comprehensively deepening reform at its third plenary session, and under this overall objective it clearly delineated specific goals for deepening reform of the economic, political, cultural, social, ecological, and Party building systems. This is an objective requirement stemming from the reform process itself as it moves forward, and it indicates

that our Party's understanding of reform has become deeper and more systemic.

...

From the perspective of forming an increasingly mature and better-defined system, our country's socialist praxis has already passed the halfway point. Up to this point, our main historic tasks have been to establish a basic system of socialism and then to carry out reform under that system. We have now already done a good job of this. From here on, our main historic tasks are to improve and develop socialism with Chinese characteristics and to provide a set of more complete, stable, and effective institutions for the development of the cause of the Party and the country, the wellbeing of the people, social harmony and stability, and the lasting political stability of the country. This is a very ambitious project that cannot be achieved by making piecemeal adjustments or cobbling together fragmentary reforms. Rather, reform must be carried out comprehensively and systematically so that reforms and improvements in all fields are linked and integrated to produce an overall effect on the modernization of our country's governance system and governance capacity.

....

A country's governance system and capacity for governance are strong reflections of that country's institutions and its ability to implement them. The system of and capacity for governance complement each other; a country cannot be governed by relying on only one or the other. In governing a country, the system plays a

fundamental, comprehensive, and enduring role. However, without effective governance capacity, even the best system will do little good. At the same time, we must realize that even though a country's governance system and governance capacity are intimately connected, they are not the same thing. It does not follow that the better a country's governance system is the stronger its governance capacity will be. All over the world we see that every country has its own governance system, but their governance capacities differ due to differences in objective conditions and subjective factors, and a country's governance capacity may vary significantly over time even though the same governance system has been in place the whole time. This is the basis for our decision to modernize both our country's governance system and governance capacity.

...

We must realize that there are many aspects of our country's governance system and governance capacity that urgently need to be improved given the country's economic and social development, the people's demands, the increasingly fierce international competition in today's world, and our goal of achieving lasting political stability. Our governance system is not yet sufficiently mature or well-defined, and some of its shortcomings have seriously affected our development and stability. Therefore, we must adapt to the process of our country's modernization to make our Party's governance more scientific, democratic and law-based; make state organs perform their functions better; ensure that the people are better able to manage state affairs,

economic, social, and cultural affairs, and their own affairs in accordance with the law; institutionalize, standardize and establish effective procedures for the governance of all Party, state, and social affairs; and improve our ability to effectively govern the country under socialism with Chinese characteristics.

...

We need to be aware that our ability to implement institutions and our governance capacity have become important factors affecting the utilization of the strengths of our country's socialist system and the progress of our Party and country's cause. We can get our country's governance system to operate more effectively only if we focus on improving the Party's governance capacity; raise the intellectual and political competence, scientific and cultural level, and work skills of officials at all levels and administrative staff in all sectors as soon as possible; and quickly ensure that Party and state organs, enterprises, public institutions, people's organizations, and social organizations are better able to do their work.

—Excerpts from a speech at a workshop for principal officials at or above the provincial and ministerial level on studying and implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and on comprehensively deepening reform, February 17, 2014

IV

UNDERSTANDING HOW THE COMPREHENSIVE DEEPENING OF REFORM WORKS AND USING THE RIGHT METHODOLOGY

Our country's reform has reached a critical stage and entered a deep-water zone. To further deepen reform, we must make it more systemic, more holistic and better coordinated, and draw up comprehensive plans for carrying out reforms in important areas. Here, I would like to stress four points: we need to boost our confidence, build consensus, plan reform measures comprehensively, and implement them in concert with one another.

...

Boosting our confidence means being dedicated to driving ahead with reform and opening up. Reform and opening up has been a crucial move in making China what it is today, and will remain crucial to achieving the Two Centenary Goals and the great rejuvenation of the Chinese nation. Reform and opening up is still a crucial move for us. The development of praxis, the emancipation of the mind, and reform and opening up are all never-ending processes; halting or reversing our course will lead us nowhere. At present, there are many problems and great difficulties to be faced in carrying out reform, but we cannot afford to not reform. We need to be courageous, stick to the correct orientation of reform and opening up, grapple with the toughest of problems, and brave the most treacherous of waters. We must summon the courage to break through fixed ways of thinking and smash the barriers of entrenched interests, and never pause or falter in pressing ahead with reform and opening up.

Building consensus means forming a concerted force to carry out reform and opening up. When people are united they can move mountains. Without broad consensus, it would be difficult to carry out reform smoothly; even if we were able to drive forward with reform, it would be difficult to achieve complete success. At present, our economic system and social structure are undergoing profound changes, the pattern of interests is undergoing significant adjustment, and people's ways of thinking are changing radically. This makes it more difficult to reach consensus on reform, and balancing the interests of all parties has become a formidable task. We must therefore work hard to build consensus. Reaching consensus is very important, and we must find common ground when people's thinking differs. If our 1.3 billion people, of whom over 82 million are Party members, plus overseas Chinese, can achieve consensus, they will constitute a powerful force. At the same time, we must realize that people from different places, different social strata, and different sectors may think differently. So we have to carefully consider what we can seek consensus on, in what areas we can work to achieve consensus, and where we can let differences persist. If we find common ground and use that as the focus for reform and opening up, we will be able to accomplish twice as much with half the effort. Taking time to sharpen the axe does not slow down the cutting of firewood. Preparatory work must be done, so we should not worry about it taking too long. Taking our time will actually ensure the work is done properly. Problems of understanding can be solved by carrying out trials in our work. We need to

respect the people's pioneering spirit, pool their wisdom to the greatest possible extent, unite all possible forces inside and outside the Party, fully mobilize all possible positive factors at home and abroad, and merge them into a powerful force for carrying reform and opening up forward.

...

Planning reform measures comprehensively means adopting a more scientific approach to making decisions about reform. Anyone who is unable to make comprehensive plans is not qualified to make plans in a limited area either. Now that reform has been carried out to this point, we must formulate a top-level design and an integrated plan for comprehensively deepening it; work out its strategic objectives, strategic focus, priorities, main directions of attack, work mechanisms, and ways to propel it forward; and lay out an integrated program, roadmap, and timetable for reform on the basis of thorough research and investigation. This work should also be compatible with the Two Centenary Goals. To achieve these goals, we need to treat reform and opening up as the main point to seize on and adopt corresponding measures. By working out a top-level design, we mean drawing up an overall plan for economic, political, cultural, social and ecological systems; strengthening research and judgment concerning the connectedness between individual reforms; trying to get the whole and the parts to fit together; comprehensively tackling manifestations of problems and their root causes; and combining incremental progress with making breakthroughs. Reform also needs to be carried out in a dialectical way and requires us to identify and address

problems on the basis of comprehensive analysis. In order to maximize the effectiveness of every reform, we should follow the example of Chinese medicine, which stresses a holistic approach involving a complementary course of treatments.

...

Implementing reform measures in concert with one another means strengthening coordination between them. Our reform has always been comprehensive. I don't agree with the generalization that China's reform lags behind in some particular respect. It is true that reforms have proceeded more quickly or slowly in certain respects or at particular times, but on the whole, it is incorrect to say that reform is occurring in some areas but not in others. The question is what to change and what not to change. Certain things that aren't being changed and that can't be changed, will never be changed, but this does not mean we are not reforming. At present, all major reforms have far-reaching ramifications, and this makes it even more important to give them careful thought and coordinate their progress. We should not give too much weight to some matters and too little to others, and we cannot reform one area alone. Once we are sure what reforms are required, we should proceed resolutely and secure results as soon as possible. For reforms that have broad ramifications, we should carry out related reforms alongside them, capturing the positive energy that comes from carrying them all out at once. For reforms we are uncertain about but for which breakthroughs are required, we should carry out trials first and use them to feel our way forward. We must respect praxis and creativity,

encourage people to explore boldly and break new ground, open up new paths through praxis, and then proceed further after we have gained experience.

—Excerpts from speeches given during a visit to Guangdong, December 7-11, 2012

All sectors of society and people both at home and abroad are closely following our reform. We need to strengthen our confidence, build consensus, make overall plans, and make progress in all fields. We need to remain committed to keeping reform oriented toward establishing a robust socialist market economy; make reform measures more systemic, more holistic and better coordinated; and carry out the next step of reform with greater political courage and wisdom.

...

We need to keep to an efficient reform path. Reform has reached a critical stage and entered a deep-water zone, and it is becoming more difficult to reach consensus on reform, but we can't not reform, or reform too slowly or too drastically. We need to respect the pioneering spirit of our people, and respect praxis and creativity. We need to uphold the principle of balancing the whole and the parts, addressing both symptoms and root causes, and progressing gradually while also making breakthroughs. We need to encourage people to explore boldly and break new ground and let them cross the river by feeling the stones. We need to

talk less and do more, and secure actual results.

—Excerpts from a speech at the Central Economic Work Conference, December 15, 2012

Reform and opening up is an entirely new undertaking and is without precedent. We must persevere using the right methodology to press ahead through praxis and explorations. Crossing the river by feeling the stones means searching for general principles. It is a quintessentially Chinese way of carrying out reform, and is fitting for the Chinese context. Implementing reform and opening up and developing a socialist market economy are things our forefathers never discussed, and no other socialist countries have ever attempted. The only way to come to better understand these things is to undertake a repeated process of first doing and then learning from it. This is how our country's reform and opening up has proceeded. It has been a cumulative process of first experimenting, then interpreting the outcomes and widely adopting practices we find to be successful. It has been an ever-deepening process from the countryside to the cities, from coastal areas to the interior, and from individual parts to the whole. This kind of incremental reform avoids the social upheaval that can be caused by a lack of clear understanding of the circumstances and the resulting adoption of inappropriate measures. It provides a safeguard for steadily carrying out reform and smoothly achieving our objectives. Crossing the river by feeling the stones accord:

with the way people come to understand objective laws and with the dialectical law of quantitative change turning into qualitative change. It would be wrong to argue that this approach was suitable only at the beginning of reform and opening up but is not suitable now. China is a large country, and we absolutely cannot make catastrophic mistakes on fundamental issues. If we do, they may be irreversible and irreparable.

At the same time, the possibility of making mistakes is not an excuse for leaving everything unchanged. That would mean we would become ossified, pursue a closed-door policy, and refuse to budge. We need to adopt the approach of undertaking pilot experiments. Once we have gained experience, built consensus, got a clear picture of how things work, and become confident of the results, we should adopt the reform initiative across the board. In this way, our small victories will add up to make major ones. Crossing the river by feeling the stones and strengthening top-level design constitute a dialectical unity. Reform and opening up measures that have a limited scope and timeframe need to be premised on strengthening top-level design, and top-level design has to be strengthened on the foundation of reform and opening up measures that have a limited scope and timeframe. We need to improve macro-level thinking and top-level design and pay more attention to the systemic, holistic, and coordinated nature of reform. At the same time, we need to continue to encourage bold experiments and bold breakthroughs and deepen reform and opening up.

Reform and opening up is a systemic endeavor, and we must persevere with making our reforms comprehensive and carry out all reforms in a coordinated manner. Reform and opening up is a profound and comprehensive transformation of society. It includes economic and also political, cultural, social, and ecological structural reform, and it affects both the productive forces and relations of production, as well as the economic base and the superstructure. Every reform has a significant impact on other reforms, and at the same time needs to be carried out in coordination with them. As reform and opening up deepens, the interconnectedness of and interplay between reform and opening up initiatives increase significantly, and this requires us to pay more attention to the mutual reinforcement and positive interplay of reforms. We need to ensure that intimate links are formed between economic, political, cultural, social, and ecological reform and opening up. We also need to encourage close links between theoretical, institutional, scientific and technological, and cultural innovations; and carry them all out as a whole while making breakthroughs in key areas so that they will form a powerful concerted force for reform and opening up.

...

At present, China is in the middle of an important period of strategic opportunity for development, but this is also a period during which social problems are prominent. It is vital that we carry out reform and development while also ensuring social stability. We should remain dedicated to balancing the intensity of reform and the pace of

development with people's ability to tolerate changes. We should treat improving people's quality of life as the convergence point for efforts to handle the relationships between reform, development, and stability well; carry out reform and development while ensuring stability; and use reform and development to promote social stability. We need to better coordinate reform, development, and stability measures, and balance immediate and long-term interests, partial and overall interests, and individual and collective interests. We need to focus both on solving problems that affect the direct interests of people, and on guiding them to handle their interest relations properly and defend their legitimate interests in a rational manner within the scope of the law, in order to create an atmosphere of stability and unity in society.

—Excerpts from a speech at the second group study session of the Political Bureau of the 18th CPC Central Committee, December 31, 2012

We need to thoroughly study how to best achieve top-level design and overall planning for comprehensively deepening structural reform; better examine how different reforms are interrelated; integrate economic, political, cultural, social, and ecological structural reforms; and foster close links between theoretical, institutional, scientific and technological, and cultural innovations.

—Excerpt from a speech at the second full assembly of the Second Plenary Session of the 18th CPC Central Committee, February 28, 2013

Comprehensively deepening reform is crucial in dealing with the problems and challenges facing our country's development. From among the myriad signs and symptoms, we must accurately read the pulse of reform and grasp the inherent laws of comprehensively deepening reform. It is especially important that we handle certain major relationships well in our effort to comprehensively deepen reform. These include: the relationship between emancipating the mind and seeking truth from facts; between making overall progress and making breakthroughs in key areas; between drawing on top-level design and crossing the river by feeling the stones; between being bold and taking sure steps; and between reform, development, and stability.

—Excerpt from a collection of speeches given during a visit to Hubei to investigate reform and development work, July 21-23, 2013, published in the People's Daily on July 24, 2013

The goal of finishing building a moderately prosperous society in all respects imposes even more urgent demands on comprehensively deepening reform. China's reform

has reached a critical stage and entered a deep-water zone, and the problems to be solved are extremely difficult. Investigations and studies are the basis for planning and the path to success. If one does not investigate, one has no right to speak, let alone the power to decide. In researching, contemplating and determining the thinking on and major measures for comprehensively deepening reform, we must not act without regard to changing circumstances, work behind closed doors, or make arbitrary decisions. On the contrary, we must carry out comprehensive, in-depth investigations and studies.

—Excerpt from a speech at a meeting with provincial and municipal leaders in Wuhan, July 23, 2013, published in the People's Daily on July 25, 2013

The key to comprehensively deepening reform is to draw up new plans and adopt new measures. We should be strongly mindful of our problems, paying particular attention to major ones. We should further study and contemplate major problems and difficulties, find solutions for them, and work hard to resolve prominent problems facing our country's development. The process of emancipating our minds is in fact a process of unifying our thinking, and the purpose of emancipating our minds is to better unify our thinking. If our thinking is unified, we can maximize consensus on reform and work together to carry it out.

Comprehensively deepening reform is a complicated systemic project. This means we need to strengthen top-level design and overall planning, and do more research on the interconnectedness between reforms and their systemic nature and feasibility. Now that we have basically decided on the major reform measures, we should thoroughly study the interrelatedness of reforms in all fields and the coordination between reform measures, thoroughly demonstrate the feasibility of reform measures, and develop a strong understanding of the major relationships involved in comprehensively deepening reform, so that the policy orientation of all reform measures is coordinated, they further each other's implementation, and their actual results complement each other.

—Excerpts from a speech at a meeting with non-CPC members held by the CPC Central Committee, September 17, 2013, published in the People's Daily on November 14, 2013

The Chinese economy has entered a new stage of development and is now undergoing a profound transformation of the growth model as well as structural adjustment. This requires us to constantly overcome difficulties and tackle tough problems. It is inevitably accompanied by growing pains and the distress and discomfort that come with adjustment but that is a small price to pay.

Rainbows often appear after a storm. There is a saying that no mountain is too high to climb and no road is too long to walk. No matter how high the mountain or how long the road, if only we advance with perseverance, we will eventually achieve our goal.

—Excerpt from the speech “Deepen Reform and Opening Up and Work Together for a Better Asia-Pacific,” at the APEC CEO Summit, October 7, 2013, published in the People’s Daily on October 8, 2013

We must, of course, be prudent when proposing reform measures, and we must examine and discuss them repeatedly. But this is not an excuse for being overly cautious, hesitant, or afraid to do or try anything. It is not possible to carry out reform while keeping all of our current work and systems unchanged, nor is it possible to make sure that all reform measures are risk-free. As long as we have done thorough research and evaluation and our measures accord with reality and are necessary, we should boldly implement them.

—Excerpt from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

The more problems reform encounters and the more difficult it becomes to implement, the more important it is that we advance with the times and tackle tough problems with confidence; have the initiative, spirit, and will to press ahead; and have the courage to keep going undeterred by the dangers ahead.

...

Reform has now reached an important new juncture and it will be every bit as complex, sensitive and difficult to carry out as it was more than 30 years ago. Some reforms involve an array of departmental interests, and for some it will be difficult to reach consensus. Some will encroach on certain people's interests, and some require coordinated efforts from all sides coupled with the implementation of multiple measures. The more problems and difficulties we face, the harder we must work to overcome them and the more courageously we must forge ahead.

...

In moving forward with reform, we must press on to the finish without letup, maintain a strong firmness of purpose, bolster our confidence and build up our courage. We must never be indecisive or shy away from facing difficulties. We must have a strong sense of historical mission and responsibility, draw together the wisdom of the whole Party and all of society to the fullest possible extent, mobilize all positive factors as much as possible, grapple with the toughest of problems, and brave the most treacherous of waters. We must work with even greater determination to surmount the obstacles erected by our thinking and ideas

and break down the fences constructed by vested interests, implement the guiding principles of this plenary session, and fulfill the general guidelines, the general ideas and the goals and tasks it has set out for reform.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

As we comprehensively deepen reform, we will encounter problems pertaining to interests that involve complex relations and difficult trade-offs. At such times, we should think seriously about the actual situations the people are in. What do they expect of us? How can their interests be safeguarded? Are they satisfied with the reforms? To better make reform-related decisions, it is vital for us to listen extensively to the people's suggestions and complaints; to be quick to review the new experience they generate; to spark their enthusiasm, initiative and creativity for reform; to apply their wisdom and energy to reform; and to work with them to push reform forward.

—Excerpt from the speech "Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee," November 12, 2013, published in the journal Qiushi, No. 1, 2014

We must be bold as we drive forward with reform, but our steps must be steady. Being bold is not the same as being reckless, which would lead us nowhere. Certain major reforms cannot be accomplished overnight. General ideas and programs for these reforms can be worked out, but they should still be implemented steadily and surely. Goals are reached through continuous efforts, so that many small victories will add up to make major ones. As Laozi said, “Do the difficult things while they are easy and do the great things while they are small. Everything difficult must be dealt with while it is still easy, and everything great must be dealt with while it is still small.”

...

Laozi said, “Governing a large country is like cooking a small fish.” So it demands a gentle touch. China is a large country, and we absolutely cannot afford to make catastrophic mistakes on fundamental issues. If we do, they may be irreversible and irreparable. The next round of reforms cannot avoid affecting deeply rooted social relations and conflicts of interests and upsetting vested interests. Comprehensively deepening reform involves a wide range of areas, and major reform initiatives may affect reform as a whole, so we must proceed with extreme caution. We are moving into ever-deeper waters, so naturally we are encountering ever-greater resistance and it is likely we will face more and more hidden obstacles, undercurrents, and whirlpools in the future. At this stage of reform, we must be familiar with the characteristics of the environment around us, have a firm understanding of the overall picture, and

progress steadily. We have learned from experience that it is not easy to reverse course if unintended consequences of a policy come to light after it has been implemented. Before introducing policies and measures, we must subject them to repeated debate and careful evaluation to ensure that they are practical and they will be effective and stand the test of time. We should not chop and change our policies and measures; otherwise, even the smallest of errors may lead to major problems. Of course, being cautious and prudent is not an excuse for delaying necessary reforms.

...

Crossing the river by feeling the stones is a method of reform that exemplifies the wisdom of the Chinese people and accords with Marxist epistemology and praxis. When a breakthrough is required in our practical work but we are not sure what changes are needed to make it happen, we should conduct explorative trials and test the waters. We start out by conducting trials, and respect praxis and creativity, encourage people to boldly explore and break new ground. Then, when we have gained experience and are completely clear about how things work, we carry out the reforms across the board. Some countries introduced economic shock therapy, which resulted in severe political turbulence and social turmoil. This is a powerful lesson. Strengthening top-level design and crossing the river by feeling the stones are important ways of carrying reform forward. Of course, there is a right way to cross a river by feeling the stones. We need to proceed on the basis of principles we are familiar with, further deepen our understanding of them through practice, and not lose

control and be at the mercy of what is going on around us.

...

Comprehensively deepening reform is a complicated systemic project that involves the overall work of the Party and the country, affects all aspects of economic and social development, and touches on many theoretical and practical issues. As reform has constantly been deepened, the interconnectedness between and interplay among reforms in all areas have been significantly strengthened. Every reform has an important impact on other reforms, and every reform needs to be coordinated with and supported by other reforms. For reforms that have broad implications, we must coordinate their implementation with related reforms to enhance the positive effect. If we do not coordinate reforms in all areas, or if reform measures restrict one another or even clash with each other, it will be difficult to reform comprehensively. Then, even if we did manage to struggle forward, the results would be hardly satisfactory.

...

We need to coordinate all aspects and levels of our work to deepen reform, and carry out all reforms so that they give impetus to each other, interplay positively between themselves, and are coordinated. We need to constantly be making overall progress and ensure that reforms occurring at different times and in different respects form a complete set and link up with one another. We have to pay attention to the overall effect of reform measures and guard against attaching too much weight to some matters and too little to others, reforming one area only, or focusing on one thing

to the detriment of everything else. Making overall progress does not mean making uniform progress in all areas; rather, it means giving precedence to major issues and to the main aspects of issues. We need to focus on key areas, and strive to coordinate the whole and the parts, address both symptoms and root causes, and link steady progress with the breakthroughs we make so that overall progress and breakthroughs in key areas are unified.

...

To make reforms work in concert, all reform measures have to ultimately be coordinated. If policies do not fit together well, implementing them would invariably be a bumpy ride, and they just wouldn't complement each other. We need to further examine the interconnectedness between reforms in different areas and the coordination between reform measures, and demonstrate the feasibility of measures we are proposing. We need to properly handle the major relationships involved in comprehensively deepening reform, so that all reform measures share the same policy orientation, facilitate each other's implementation, complement each other's effectiveness, and react together to generate a resonance effect.

...

When people are united they can move mountains. It is very important to achieve consensus. Without broad consensus, it is difficult for reform to progress smoothly and achieve complete success. At present, profound changes are taking place in the social structure, the pattern of interests and people's thinking, so reaching consensus on reform

has become more difficult, and giving consideration to the interests of everyone has become a truly formidable task. This demands that we work even harder to build consensus. We need to unify people's thinking and get them to reach a common understanding; strengthen positive publicity about reform and better guide public opinion; provide timely answers to major issues of understanding that are of great concern to officials and the public; and create a good social environment within which reform can progress smoothly.

...

Our history tells us that building consensus is vital for the success of reform. Historically, Shang Yang's reforms in the State of Qin during the Warring States Period, Wang Anshi's reforms in the Song Dynasty, and Zhang Juzheng's reforms in the Ming Dynasty all achieved some success in their times. However, all of these reforms met powerful resistance and even led to the reformers' ruin due to the nature of absolute monarchy, worsening social problems, complex interest relations, factional strife within the ruling clique, and the effect reforms had on vested interests. Zhang Zhidong, a leading member of the Self-Strengthening Movement during the late Qing Dynasty, was a reform-minded man. At that time, social problems were deeply rooted, and hard to resolve, which meant that change needed to be all-embracing. All kinds of opinions vied for attention and all kinds of people entered politics to advance their causes, but no one could agree on anything. Zhang Zhidong exclaimed: "The conservatives refuse to eat for fear of choking, and the progressives are buried under an

avalanche of choices. The conservatives do not know how to accommodate to the circumstances, and the progressives do not understand the fundamental problems. Because the conservatives cannot accommodate to the circumstances, they do not have the skills necessary to thwart their enemies, and because the progressives do not understand the fundamental problems, they are suspicious of fame and learning.” This tells us that it was difficult to achieve consensus because the many parties could not find the right balance between maintaining the status quo and making reforms.

...

There is a view that it is impossible to reach consensus on deepening reform at this stage, and some even say that consensus on reform is a pseudo-proposition. It is true that there are huge differences both within and outside the Party on how and where to deepen reform, but the less unity in understanding there is, the more necessary it is to find common ground. The whole Party and all of society agree on the importance of keeping reform alive and well. If we strengthen guidance, unite with all forces inside and outside the Party that can be united with, and fully mobilize all positive factors at home and abroad that can be mobilized, then it is entirely possible to form consensus. When we talk about the strengths of socialism with Chinese characteristics, this should be a very important one of those strengths.

...

In carrying out reform, we must adhere to the correct way of thinking. We need to dialectically balance the

relationships between emancipating the mind and seeking truth from facts, between making overall progress and making breakthroughs in key areas, between overall and local interests, between top-level design and crossing the river by feeling the stones, between acting boldly and proceeding steadily, and between reform, development, and stability. We need to focus on improving our operational and executive capabilities, and ensure that the CPC Central Committee's policies and plans are implemented accurately and in a timely manner. Many of the reform measures to be adopted at this plenary session involve existing laws and regulations. Major reforms must have a basis in law; if reforms require that old laws first be revised, then that is what we should do. We must first establish the new, then tear down the old, and always proceed in an orderly manner. Some important reform measures require legal authorization, which must be carried out in accordance with legal procedures.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

When we were considering the agenda for the Third Plenary Session of the 18th CPC Central Committee, we decided to adopt a plan for comprehensively deepening reform rather than talking about just economic structural reform, or economic and social structural reforms. We made this decision because it would be very difficult for us to solve

the prominent problems and difficulties we face through reform confined to one sector or one level. It is necessary to strengthen top-level design and overall planning, and make reforms more interconnected, more systemic, and better coordinated. To produce an all-around effect, we have to solve the problem of the relations of production being out of synch with the productive forces, and of the superstructure not meshing with the economic base.

We also emphasized the need to take economic development as our central task and make full use of the leading role of economic structural reform. In other words, development is of central importance to dealing with the main aspects of the fundamental problems in Chinese society at the present stage. We will be able to better adapt relations of production to the productive forces, and the superstructure to the economic base, only if we stay focused on development as our top priority while planning reforms in all areas, and release and develop the productive forces to provide a powerful force pulling reform forward. China's experience since we began reform and opening up proves that focusing firmly on releasing and developing the productive forces provides strong impetus for other reforms and stimulates their advancement.

...

In comprehensively deepening reform, we need to properly handle the relationship between respecting objective laws and unleashing subjective initiative. On the one hand, we need to proceed from reality in everything we do, act in accordance with objective laws, fully implement

our blueprint, and lay a firm foundation for long-term benefits. We must not make decisions impulsively or arbitrarily, blindly give orders, be eager for instant benefits, or seek quick results by counterproductive means. On the other hand, we need to encourage local governments, lower-level organizations, and the people to explore boldly and take the lead in trying new things, so that we can be quick to draw on the new experience they generate, courageously make innovations in theory and practice, and constantly deepen our understanding of how reform works. We are proposing the integration of strengthening top-level design with crossing the river by feeling the stones, and the mutual reinforcement of overall progress and breakthroughs in key areas. This is an important principle we must follow in comprehensively deepening reform as well as a requirement of historical materialism.

—Excerpts from a speech at the 11th group study session of the Political Bureau of the 18th CPC Central Committee, December 3, 2013

We need to proceed steadily and surely and consolidate at every step, maintain steady and healthy development, promote social and economic stability, and create the right conditions for comprehensively deepening reform. At the same time, we need to comprehensively deepen reform, adhere to a problem-solving approach and boldly make breakthroughs and innovations. We should use reform to

spur on development, transform the growth model, adjust the structure, and improve people's lives. Stability and reform form a dialectical unity and are mutual conditions for each other. Stability needs resolve and reform needs order. The key is to maintain a good balance between the two.

...

We need to carry out reform correctly. Reform is part of the natural improvement and development process of socialism. How to reform and what to reform are determined by our political principles and baseline, and we must have political resolve.

We need to move reform forward in the right way. All of the reform measures laid out at the Third Plenary Session of the 18th CPC Central Committee have undergone thorough consideration and careful planning. They need to be implemented in accordance with the Central Committee's requirements, not carried out blindly without an understanding of the situation. They should not be pushed beyond the limits specified by the Central Committee, as going too far would be just as bad as not going far enough, and this would be counterproductive.

We need to carry out reform in an orderly fashion. Localities should not jump the gun on reforms for which the Central Committee has to make unified arrangements, or delay reforms that need to be finished quickly. Reforms for which trials are required should not be broadly implemented in haste before trials have been carried out; reforms for which thorough research is required should not be carried out until that research is completed; and reforms for which

legal authorization is needed should not get under way until it is given. We need to avoid rushing into action prematurely or before the conditions are ripe—more haste, less speed.

We need to coordinate the progress of reforms. Comprehensively deepening reform involves a wide range of areas, so the requirements for advancing reform in a systemic, comprehensive and coordinated manner are very high. We need to pay attention to the interrelations and links between reforms; keep the whole picture in mind as we move forward; pay attention to coordinating our reform efforts; strive to maximize comprehensive benefits; and avoid giving too much weight to some matters and too little to others, focusing on one thing to the detriment of everything else, and letting everyone do things their own way and impede each other. All regions and government departments need to adapt measures to their own conditions and give full expression to their subjective initiative, while at the same time consciously safeguarding the unity and authority of the Central Committee's policies and principles. They need to resolutely act in accordance with the orientation, goals and principles set forth by the Central Committee, while also boldly exploring and innovating.

...

When we must carry out reforms we do not fully understand, we need to explore boldly and carry out trials first. Some reforms affect deeply entrenched institutional elements and complex interests, which makes it difficult to carry them out across the board at this time. We need to get trial reforms to play the role of scouts and advance parties in

order to identify how these reforms work, achieve consensus, gain experience, and create conditions for advancing reform across the board.

—Excerpts from a speech at the Central Economic Work Conference, December 10, 2013

We have good conditions, both practical and theoretical, as well as a positive climate for comprehensively deepening reform. We need to have a firm grasp of the overall picture, size up the current situation, make overall plans by taking all factors into consideration, and implement reforms scientifically. We need to fully mobilize everyone's enthusiasm, and resolve to make progress toward the goal of comprehensively deepening reform.

—Excerpt from a speech at the inaugural meeting of the Central Leading Group for Comprehensively Deepening Reform, January 22, 2014, published in the People's Daily on January 23, 2014

For a country like China with a population of more than 1.3 billion, deepening reform is no easy task. After more than 30 years, China's reform has entered a deep-water zone. The easier reforms and the reforms that everyone was happy about have all been completed. The choice cuts have been eaten, and all that is left now is hard bone. This requires

us to be courageous and take sure steps. Being courageous means pressing ahead no matter how difficult reform is, and daring to take responsibility, grapple with the toughest of problems, and brave the most treacherous of waters. Taking sure steps means being certain of our orientation and maintaining stability as we move ahead, taking particular care not to make catastrophic mistakes.

—Response to a question in an interview with a Russian television station in Sochi, Russia, February 7, 2014, published in the People’s Daily on February 9, 2014

V

**KEEPING REFORM ORIENTED
TOWARD ESTABLISHING A
ROBUST SOCIALIST MARKET
ECONOMY, AND ENSURING
THAT THE MARKET PLAYS
THE DECISIVE ROLE IN
ALLOCATING RESOURCES AND
THE GOVERNMENT PLAYS A
BETTER ROLE**

Transforming government functions is at the core of deepening administrative structural reform. It essentially involves determining what the government should and should not do, with the focus on defining the roles of the government, the market, and society; that is, making clear what matters are to be dealt with by them respectively or jointly.

...

Right now there is still much to be done in transforming government functions. The government intervenes in the microeconomy too much and in too much detail; macroeconomic regulation needs to be improved; there are many problems in market oversight and supervision; social governance urgently needs to be strengthened; and public services are weak. The existence of these problems is incompatible with the new requirements for finishing building a moderately prosperous society in all respects. The further reform of government institutions and transformation of government functions are necessary not only for improving government efficiency but also for invigorating social development. We must strengthen our resolve and intensify our efforts to transform government functions in order to better meet the urgent need to deepen reform and opening up, speed up the transformation of the growth model, improve the government's conduct, and maintain social harmony and stability.

...

The key to transforming government functions is to know where we are heading and how to get there. On

the basis of a review of our experience, we have made it clear that our present general orientation in transforming government functions, as delineated by the 18th National Party Congress, is to create a favorable environment for development, provide quality public services, and safeguard social equity and justice. On the basis of this general orientation, we need to define government functions properly, improve organizational structure at all levels of government, demarcate responsibilities of government departments, stress strengthening responsibility, and ensure that powers are commensurate with responsibilities.

...

In carrying out institutional reform and transforming government functions, we need to get the right balance between large and small departments, between centralizing and decentralizing, between government and society, and between management and services. While taking steady steps to establish larger departments, we will not enlarge all functional departments—some departments are to perform specific functions and others are to perform comprehensive functions. If necessary, comprehensive departments can be large, but not all of them should be large or be required to perform a full range of functions. The key is to ensure that functions are distributed among departments in a realistic, scientific, reasonable, and more efficient way. In transforming government functions, we need to delegate more powers to local governments to give expression to their enthusiasm and initiative. However, this does not mean that we will delegate all powers. Powers that should be delegated will be

delegated, but in the same way, those powers that should be centralized will be centralized because there are certain functions that do not produce synergy if they are too widely dispersed. We need to get the nongovernmental sector to play a role in social governance because there are matters that are beyond the ability of the government. In these areas, we should let the people manage their own affairs and provide services for themselves in accordance with the law. At the same time, we need to strengthen standardization and guidance of all social organizations, and pay special attention to preventing persons with ulterior motives from engaging in illegal activities under the guise of social organizations. It goes without saying that the government needs to effectively perform its function of providing services; however, we must not forget that the functions of government administration are important and have to be carried out well. It is not okay to concentrate on services to the neglect of management. We are incorporating management into services, which is a way to stress management. Neither management nor services can be neglected. The government must effectively manage what it should manage.

—Excerpts from a speech at the second full assembly of the Second Plenary Session of the 18th CPC Central Committee, February 28, 2013

We will take great pains to closely integrate scientific and technological innovation with economic and social development. The key is to handle the relationship between the role of the government and that of the market properly, further link scientific and technological development with economic and social development by deepening reform, get the market to genuinely act as the force allocating the resources for innovation, and get enterprises to genuinely act as the agents of technological innovation. The government should function actively in areas that affect the economy, the people's quality of life, and industries. It should provide greater support and more effective coordination in these areas and determine the overall technical orientation and the general line. It should also make full use of the leverage that key national scientific and technological projects and major programs provide, and concentrate on gaining the upper hand in strategic areas.

—Excerpt from a speech at the ninth group study session of the Political Bureau of the 18th CPC Central Committee, September 30, 2013, published in the People's Daily on October 2, 2013

We should intensify the transformation of government functions so that the government not only actively relinquishes powers that should be relinquished, but also conscientiously and responsibly manages what it should manage. The government should step back from affairs it

shouldn't be managing and take on responsibility in areas it should manage but doesn't.

—Excerpt from a speech at the first full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 9, 2013

Making sure that the market plays the decisive role in allocating resources and that the government plays a better role is a major theoretical stance set forth in the resolution of the Third Plenary Session of the 18th CPC Central Committee. This is because economic structural reform is still the focus of comprehensively deepening reform, and the core issue we face in economic structural reform is still how to delineate the roles of the government and the market.

...

After 20-plus years of praxis, while a socialist market economy has basically taken shape in China, there remain many problems: the market lacks order and many people reap economic benefits through improper means; the market for factors of production is underdeveloped so that some factors of production lie idle while much effective demand for them is not met; market rules are not unified and departmental and local protectionism is rampant; and the weakness of market competition is an obstacle to the natural occurrence of structural adjustment and a selection process whereby superior businesses and products thrive while inferior ones fall by the wayside. If left unresolved, these

problems will make it difficult to establish a robust socialist market economy.

...

Correctly delineating the roles of the government and the market actually means solving the problem of whether the market or the government should play the decisive role in allocating resources. Economic growth requires more efficiently allocating resources, especially scarce resources, so that minimal resources can be used to maximize production and benefits. Both theory and praxis prove that the allocation of resources by the market is the most efficient means to this end. It is a general rule of market economies that the market determines the allocation of resources. In essence, a market economy is one in which the market allocates resources. To improve our socialist market economy, we must follow this general rule in our efforts to establish a robust market, control excessive government intervention, and address insufficient government oversight. The decision to let the market play the decisive role in allocating resources will help the entire Party and all of society to develop a correct understanding of the roles of the government and the market. It is also conducive to transforming the growth model and government functions, and to reining in corruption and other forms of misconduct.

...

China is a socialist market economy, but we still need to make the best use of the advantages of our socialist system and have the Party and the government play an active role. The market is to play the decisive role in allocating resources,

but this does not mean it is to play the sole role.

...

To develop a socialist market economy, we need to have both the market and government play a role, but their roles are different. The resolution of the third plenary session sets forth clear requirements for the government to play a better role. It emphasizes that effective macro-level control and governance by government are integral to making the most of the advantages of the socialist market economy. It lays out plans for improving the macro-level control system, performing government functions fully and properly, and improving the government's organizational structure. The resolution also emphasizes that the main responsibilities and roles of the government are to maintain macroeconomic stability, strengthen and improve public services, ensure fair competition, strengthen market oversight and supervision, maintain market order, spur on sustainable development, promote common prosperity, and step in at times of market failure.

...

The resolution of the third plenary session adheres to and develops conclusions the Party has had since its 15th National Congress and calls for the development of a mixed ownership economy. It stresses that a mixed ownership economy in which state-owned, collective, and non-public capital are intermingled and each holds shares of one another is an important way to embody China's basic economic system, and is conducive to expanding the functions of state-owned capital, preserving and increasing

its value, and improving its competitiveness. Developing a mixed economy is an effective way and the inevitable choice for us to maintain the primary position of the public sector and increase the dynamism, control, and influence of the state-owned sector in the present circumstances.

...

State-owned enterprises (SOEs) are an important force for modernizing China and protecting the common interests of the people. After many years of reform, SOEs have, on the whole, assimilated themselves into the market economy. However, these enterprises have also developed a number of problems and flaws in their systems, so they need to be further reformed.

...

To adhere to and improve our basic economic system, we must stay focused on consolidating and developing the public sector of the economy on the one hand, and encouraging, supporting, and guiding the development of the non-public sector on the other. The resolution of this session incorporates multilevel reform measures to encourage, support and guide the development of the non-public sector, and to stimulate its dynamism and creativity. With regard to the functions of the public and non-public sectors, the resolution makes it clear that both sectors are important components of the socialist market economy and the foundation of China's economic and social development. With regard to property rights protection, it makes it clear that the property rights of the non-public sector are inviolable just as those of the public sector. With

regard to policy treatment, it stresses ensuring equal rights, opportunities, and rules for businesses in both sectors, and implementing a unified market access system. It also encourages non-public enterprises to contribute to SOE reform, encourages the development of mixed-ownership enterprises in which private capital holds a majority stake, and encourages qualified private companies to establish modern corporate structures. All this will promote the healthy development of the non-public sector.

...

The resolution of this session calls for implementing a comprehensive, well-regulated, and transparent budget system, and appropriately increasing the central government's power and expenditure responsibilities. It makes it clear that the central government is to retain control over national defense, foreign affairs, national security, and the rules governing and the management of the unified national market. Authority over some social security programs and the construction and maintenance of major trans-regional projects will be shared by the central and local governments, and the division of power between them will be improved in due course. Through transfer payments, the central government can delegate some spending responsibilities to local governments and also take on some of the spending responsibilities of local governments for trans-regional public services that have a significant impact on other regions.

The main goals of these reform measures are to clarify the division of power between central and local

governments, reform the tax system, keep the level of tax burdens stable, make budgets more transparent and improve efficiency. Through these measures we also aim to accelerate the formation of a modern fiscal system that is conducive to transforming our growth model, establishing a fair and unified market, and making access to basic public services more equitable. These reform measures are also designed to establish fiscal and taxation systems that ensure the financial resources of the central and local governments are commensurate with their respective powers, so as to give full play to the initiative of both the central and local governments.

—Excerpts from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

We must focus on economic structural reform and let it play the role in leading other reforms. The resolution of the Third Plenary Session of the 18th CPC Central Committee cites six points¹ to focus on as a roadmap for

¹ These six points are: letting the market play the decisive role in allocating resources; ensuring the unity of the leadership of the Party, the status of the people as masters of the country, and law-based governance; building the system of core socialist values and developing a strong socialist culture in China; ensuring and improving the people’s wellbeing and promoting social equity and justice; building a beautiful China; and enhancing the Party’s capacity to govern in a sound, democratic way in accordance with the law.

comprehensively deepening reform. It stresses the need to stay focused on economic structural reform and make full use of its leading role. China is still in the primary stage of socialism and will remain so for a long time to come. This basic condition has not changed; nor has the major problem of how we can meet the ever-growing material and cultural needs of the people given the underdeveloped productive capacity of society; and nor has China's international status as the world's largest developing country. This is why we have to keep economic development as the central task of the whole Party.

...

At present, many of the institutions and mechanisms constraining China's development in a scientific manner are concentrated in the economic sphere. The task of economic structural reform is far from complete, and the potential of this reform has not been fully unleashed. To make sure that we do not waver in taking economic development as our central task, we must stay focused on economic structural reform.

...

Economic structural reform has an important influence and a ripple effect on other reforms. The progress of major economic structural reforms determines the progress of many other structural reforms; indeed, it affects all our reform work. In his preface to *A Contribution to the Critique of Political Economy*, Karl Marx observed, "In the social production of their existence, men inevitably enter into definite relations, which are independent of their will,

namely, relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness.” As we comprehensively deepen reform, we need to keep economic structural reform as the principal axis, strive to make new breakthroughs in the reforms of important areas, and use them to drive reforms in other areas, so that all reforms progress together and form a synergy, rather than being uncoordinated so that their effects are dissipated.

...

We need to keep reform oriented toward establishing a robust socialist market economy. Making the establishment of a socialist market economy the objective of reform is a significant theoretical and practical innovation our Party has made in building socialism with Chinese characteristics, and it has solved a major problem that other socialist countries have long failed to solve.

...

The core issue we face in keeping reform oriented toward establishing a robust socialist market economy is how to handle the relationship between the government and the market better so that the market plays the decisive role in allocating resources, and the government plays a better role. This is a major step forward made by our Party in theory and practice.

Keeping reform oriented toward establishing a robust socialist market economy is not only the basic principle we must follow in carrying out economic structural reform, but also an important basis for comprehensively deepening reform. Getting the market to play the decisive role in allocating resources mainly involves economic structural reform, but it inevitably affects politics, culture, society, ecological progress, and Party building as well. All structural reforms should be oriented toward establishing a robust socialist market economy and should be carried out in concert. At the same time, all fields should adapt themselves to the new requirements for developing the socialist market economy.

—Excerpts from the speech “Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee,” November 12, 2013, published in the journal Qiushi, No. 1, 2014

While pressing ahead with urbanization, we need to pay attention to two relationships. The first is between the role of the market and that of the government. We need to uphold the market’s decisive role in allocating resources, and also get the government to play a better role in creating an institutional environment, drawing up development plans, building infrastructure, providing public services, and strengthening social governance. The second is between the central and local governments. The central government formulates guiding

policies on and determines the overall plan and strategic layout for urbanization, whereas governments at and below the provincial level implement the overall plan, draw up corresponding plans, and do development and management work creatively based on actual conditions.

...

To grant more people the status of urban dwellers, it is important to deal with the household registration system. On the basis of the guidelines set forth at the Third Plenary Session of the 18th CPC Central Committee, restrictions on residence registration in towns and small cities should be completely lifted, restrictions on residence registration in mid-sized cities should be phased out, the eligibility for residence in large cities should be properly defined, and the population size of megacities should be strictly controlled.

...

The key to solving the problem of inefficient use of land for construction is to rely on institutions. The reform of the land system will have wide repercussions, so it must be carried out steadily on the basis of the principles of maintaining our bottom line and carrying out trials first. Public ownership of land cannot be changed; the red line below which the quantity of arable land must not fall cannot be moved, and farmers' interests must not be harmed. All this should serve as the basis for orderly explorations.

...

At present, all regions are actively carrying out trials in the transfer of contracted rural land use rights. This is

beneficial for making land use less fragmented in some areas and for raising agricultural productivity. During these trials, it is necessary to respect farmers' wishes and safeguard their rights and interests, and to prevent land from being overly concentrated in the hands of a few people, the use of land from being changed fundamentally and the rural wealth gap from becoming too large. We must not allow more land to be used for urban construction in the name of land reform or urban-rural integration. Such trickery is impermissible.

...

Urban infrastructure and indemnificatory housing are nonprofit or low-profit industries, with few commercial benefits and slow return on investments, but they have considerable social value. Hence, it is necessary for policy-backed financial institutions to provide low-cost, long-term financing services; we cannot rely entirely on commercial banks. To reform policy-backed financial institutions, right now we need to make full use of the important role they play in urbanization, while at the same time establishing policy-backed financial institutions specializing in urban infrastructure and housing in order to provide standardized, transparent and fairly priced financial services for the construction of urban infrastructure and housing, with mortgage terms suited to circumstances.

We need to expand market access, formulate measures to permit non-public enterprises' participation in franchising, encourage private capital to invest in and operate public infrastructure in cities, and ensure the funding needed for the construction and operation of some largely nonprofit

infrastructure. We need to resolve problems concerning the pricing of urban infrastructure services so that investors can make a profit and enjoy long-term, stable benefits.

—Excerpts from a speech at the Central Urbanization Work Conference, December 12, 2013

At present, more and more rural families are transferring their contracted land use rights, so that different parties possess contract rights and use rights to the same land. This is a new trend in our country's relations of agricultural production, and it places new demands on us to improve the basic rural management system. We need to keep exploring effective forms of collective ownership of rural land; implement collective ownership, keep farmers' contract rights stable, and relax controls over land use rights; and quickly establish a modern multi-faceted hybrid system of agricultural operations based on household-run farming, linked by cooperation and association, and supported by commercial services.

...

Before reform, ownership and use rights for collective land were not separated; the same collective owned and operated the land. The introduction of the household contract system, which links earnings to output, has separated land ownership from land use rights, with collectives having land ownership and households having use rights. This has been a major innovation in China's rural

reform. To conform to the desire of farmers to retain land contract rights but transfer use rights, we have made the distinction between farmers' contract and use rights so that they are separate and concurrent. This is another major innovation in China's rural reform. It will help to better maintain collective ownership of land while at the same time better ensuring rural households' land contract rights, better invigorating land use rights, and promoting modern agricultural development.

...

Reform of the rural land system is a major reform that involves a wide range of parties and affects a complex array of interests, so it must be carried out prudently and steadily. No matter how we reform, we cannot discard collective ownership of rural land, reduce the quantity of arable land, reduce grain output, or harm farmers' interests. We need to strengthen management of and provide better services for the transfer of land use rights, and make the transactions involving the transfer of use rights and other rural property rights open, fair and procedure-based. Party committees and governments at all levels need to strengthen their leadership of reform of the rural land system, and relevant government departments need to promptly formulate work plans or plans for trials, and strengthen their guidance, oversight, and inspection.

...

We need to study how to open new investment and financing channels, and establish a sound, effective long-term mechanism for steadily increasing spending on farmers, agriculture, and rural areas. Rural finance remains a long-

standing problem, and the key to solving it is to work on the top-level design of systems and mechanisms, encourage the establishment of rural financial cooperatives on a trial basis, and establish a financial system suited to agriculture and rural areas.

—Excerpts from a speech at the Central Rural Work Conference, December 23, 2013

Last November, the Third Plenary Session of the 18th CPC Central Committee adopted an integrated plan for comprehensively deepening reform, which specified a roadmap and timetable for reform and over 330 major reform measures in 15 areas. The focus of the plan is on deepening economic structural reform; establishing an open, competitive and orderly market system; letting the market play the decisive role in allocating resources; and getting the government to play a better role.

—Excerpt from the speech “Sino-German Cooperation for the Benefit of Europe, China, and the World,” March 28, 2014, published in the People’s Daily on March 29, 2014

VI

**KEEPING TO THE SOCIALIST
PATH OF POLITICAL
DEVELOPMENT WITH
CHINESE CHARACTERISTICS
AND
PROMOTING THE
IMPROVEMENT AND
DEVELOPMENT OF
THE SOCIALIST POLITICAL
SYSTEM**

We must adhere to the correct political orientation, sticking firmly to the socialist path of political development with Chinese characteristics. Since the reform and opening up policy was adopted, our Party has united with and led the people in making significant progress in developing socialist democracy, has successfully opened up and adhered to the socialist path of political development with Chinese characteristics, and has charted the correct course for achieving people's democracy in the broadest possible sense. The core thinking, main content, and basic requirements of this path of political development are all affirmed in the Constitution, and in essence they are closely related, interconnected and mutually reinforcing. We must always uphold, fully implement and constantly develop the institutions and principles set forth in the Constitution, namely, the fundamental system and fundamental tasks of the state, the core leadership and guiding thought of the state, the state system of a people's democratic dictatorship led by the working class and based on the alliance of workers and farmers, the political system of people's congresses, the system of multiparty cooperation and political consultation under the leadership of the CPC, the system of regional ethnic autonomy, the system of community-level self-government, the patriotic united front, and the principles of the socialist legal system, democratic centralism, and respecting and safeguarding human rights.

...

The key to keeping to the socialist path of political development with Chinese characteristics is to uphold the

unity of the Party's leadership, the position of the people as masters of the country, and the rule of law. It is essential to expand socialist democracy and promote socialist political progress with a view to guaranteeing this position of the people, enhancing the vitality of the Party and the country, and mobilizing the enthusiasm of the people. We need to uphold the idea set forth in the Constitution that all power in the country belongs to the people. We need to extensively mobilize and organize the people to exercise state power through people's congresses at all levels and manage state and social affairs and economic and cultural programs through various channels and in various ways in accordance with the Constitution and other laws; work together to build the country, develop the economy and achieve shared prosperity; and become the masters of the country, society and their own destiny. On the basis of the principle of democratic centralism, the system of state power and the standards of action defined in the Constitution, we should have people's congresses exercise state power in a unified way; ensure that there is both an appropriate division of labor and mutual coordination between decision-making, executive and oversight powers; ensure that state organs exercise their powers and perform their duties in accordance with statutory mandates and procedures; and ensure that they organize all their programs in a unified and effective manner. On the basis of the systems and principles specified in the Constitution, we should correctly handle the relationships between the central and local governments, between ethnic groups, and between different interests; mobilize all positive

factors; and consolidate and develop a political situation that is democratic and united, lively and dynamic, and stable and harmonious. We have to adapt to the new requirements of expanding people's democracy and promoting economic and social development; actively yet steadily carry forward political structural reform; make people's democracy broader, fuller, and more sound; make full use of the advantages of our socialist political system; and push forward its improvement and development.

...

We need to ensure that the Party plays its role as the core leadership in exercising overall leadership and coordinating everyone's efforts, and we must adhere to the basic policy of law-based governance and the basic practice of exercising state power in accordance with the law. We need to be adept at enabling the Party's positions to become the will of the country through legally established procedures; guiding Party-backed candidates to become leaders of organs of state power, and exercising the Party's leadership over the state and society through the organs of state power. We need to support organs of power, administrative agencies, and judicial and procuratorial bodies in independently and concertedly doing their work in accordance with the Constitution and other laws. Party organizations and officials at all levels should set an example in enforcing the rule of law, improve their ability to exercise state power in accordance with the law, and make their governance work more institutionalized and codified. Officials at all levels should become better able to use the thinking and methods of the

rule of law in deepening reform, promoting development, resolving problems and maintaining stability; strive to form a good legal environment for administering affairs, dealing with sudden and unexpected difficulties, handling problems and difficulties in accordance with the law; and advance all work by means of the rule of law. We should improve the system for constraining and overseeing the exercise of power, link power with accountability, oversee the exercise of power, hold officials accountable and punish lawbreakers, in order to ensure that the powers conferred on us by the people are always exercised in their interests.

—Excerpts from a speech at a meeting for members of the general public held in the capital to mark the 30th anniversary of the promulgation and implementation of the current Constitution, December 4, 2012, published in the People's Daily on December 5, 2012

We need to improve the system for constraining and overseeing the exercise of power, allow the people to monitor power, make the exercise of power more transparent, and ensure that state organs exercise power in accordance with statutory authority and procedures. We need to be adept at using ways of thinking and methods based on the rule of law to fight corruption, strengthen national anti-corruption legislation, strengthen the Party's rules and regulations for combating corruption and upholding

integrity, and allow the legal system to work as it is supposed to. Stopgap measures are not as effective as treating the root of the problem. We need to effectively prevent and control corruption at the source, strengthen analysis of typical cases to discover its inherent nature, deepen reform of areas prone to corruption, and reduce institutional barriers and loopholes to the greatest possible extent. We need to strengthen constraints on and oversight over the exercise of power, confine the exercise of power to an institutional cage, and establish punitive mechanisms that make officials afraid to become corrupt, preventive mechanisms that make it impossible to become corrupt, and safeguard mechanisms to make it difficult to become corrupt.

*—Excerpt from a speech at the second full assembly
of the 18th Central Commission for Discipline
Inspection, January 22, 2013*

The central leadership's strict requirements about working hard and practicing thrift, and opposing extravagance and waste have won the wholehearted support of officials and the people. We must constantly keep up this work, rather than just go through the motions or slack off after a brief flurry of activity. We must finish what we have started and make sure that our good beginning is followed by a good ending. If we don't act firmly, effectively, and persistently, then all our efforts will end up having been in vain. Recently, we have received many suggestions from

different sectors of society, many of which are deserving of our attention. We need to examine and adopt those that are reasonable, review the lessons learned from our experience, and adopt practices that have proven beneficial at home and abroad. Our next step will be to focus on institution building to improve the systems for official hospitality, fiscal budgeting and auditing, accountability assessment, and oversight safeguards; and we will establish a multilevel, comprehensive institutional system that has tight institutional constraints, strict institutional implementation, strong oversight and inspection, and strict disciplinary mechanisms to effectively prevent use of public funds in violation of regulations, disciplinary rules or laws.

—Comments on the People’s Daily article “Analysis and Recommendations by Experts and Scholars for Reining in Extravagant Dining at Public Expense” and similar reports, February 22, 2013

We will improve legislation planning, concentrate on legislative priorities, attach equal importance to making new laws and revising and repealing existing ones, make legislation more effective and democratic, and make laws more targeted, timely and systemic. We need to improve legislative work mechanisms and procedures, expand the scale of orderly public participation, and give full consideration to opinions from everyone. This is in order to make laws accurately reflect the country’s requirements

for economic and social development, better coordinate interests, and give full expression to the guiding and motivating role of legislation.

...

A lot of work needs to be done to ensure that justice is administered impartially. We have made it our goal to make every effort to ensure that the people feel justice is served in every case before the courts. All judicial bodies should have this objective firmly in mind as they improve their work, and should focus on solving deeply rooted problems that affect judicial impartiality and constrain our judicial capacity.

—Excerpts from a speech at the fourth group study session of the Political Bureau of the 18th CPC Central Committee, February 23, 2013

In carrying out administrative structural reform, we will proceed in an active yet prudent, step-by-step manner, and carry out reform first in fields where conditions are already ripe to do so. We need to focus on major problems and difficulties, and attach particular importance to transforming government functions in order to both consolidate the results of previous reforms and strive to solve major problems. In this regard, we need to make sure to act when the time is right so that success comes naturally, and carry out reform first in fields where conditions are ripe to do so and there is consensus. The superstructure needs to be

constantly adjusted to meet the requirements for developing the economic base. This will be a process of continuous adjustments that cannot be accomplished all at once or through a single reform. Some reforms still need to be explored, and it will take time to further build consensus and gain more experience. Once this is done, we can carry them out when conditions are right to do so.

...

Wherever progress is made in transforming government functions, corresponding improvements need to be made in developing the rule of law. We need to get the rule of law to play a role in guiding and standardizing the transformation of government functions. We need to enact new legislation to codify achievements in transforming government functions and to guide and give impetus to the next stage of the transformation. We also need to revise and repeal inappropriate legislation to clear the way for further transformation. We can transform government functions more effectively only by having the people oversee the exercise of power, exercising power openly, and administering government in accordance with the law. We need to build a law-based government in which institutional means are used to check power, manage affairs and administer personnel; improve the system of open government; and ensure that with power comes responsibility, that the exercise of power is subject to oversight, and that lawbreakers are prosecuted.

—Excerpts from a speech at the second full assembly of the Second Plenary Session of the 18th CPC Central Committee, February 28, 2013

We will prevent and fight corruption more effectively on the basis of the principles of addressing both symptoms and root causes, comprehensively cleaning up corruption, and employing both punitive and preventive measures, with the emphasis on prevention. We will move forward with building a system for punishing and preventing corruption across the board. We need to improve internal Party rules and regulations for combating corruption and upholding integrity, strengthen national anti-corruption legislation, improve implementation of the legal system for combating corruption, and enable the legal system to function as it is supposed to. In this way, we can quickly establish a well-designed, effective and workable anti-corruption system that has rigorous procedures with everything needed in place. We need to strengthen the analysis of typical cases to find patterns of corruption, deepen reform of corruption-prone sectors, and minimize institutional weaknesses and loopholes. We should do more to prevent and control corruption at the source and eradicate the growth and spread of corruption through ever deeper reform.

—Excerpt from a speech at the fifth group study session of the Political Bureau of the 18th CPC Central Committee, April 19, 2013

Deliberative democracy is a unique form and distinctive advantage of China's socialist democracy. Politically, it is an important embodiment of the Party's mass line. Deliberative democracy is conducive to improving the people's orderly political participation, strengthening the bonds between the Party and the people, and making decisions in a more scientific and democratic manner.

...

We need to establish a system of deliberative democracy that has reasonable procedures and is all-inclusive, while expanding the channels of deliberation for organs of state power, committees of the Chinese People's Political Consultative Conference (CPPCC), political parties, people's organizations, community-level organizations, and social organizations. We need to conduct intensive deliberations on legislation, government administration, democracy, participation in the administration of state affairs, and social issues, and ensure that the united front plays an important role in promoting deliberative democracy. We need to have the CPPCC function as a major channel for promoting deliberative democracy by improving its system; regulating the contents and procedures for deliberations; diversifying our forms of deliberative democracy; organizing deliberations on special issues with Party and government departments, among members of CPPCC committees from the same sector of society, and on the handling of proposals; and improving the frequency and effectiveness of deliberations.

—Excerpts from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

Both our Party’s policies and our country’s laws reflect the fundamental will of the people, so the former are intrinsically in accord with the latter. The Party’s policies are the precursor of and guide for the country’s laws, the basis upon which legislation is made and an important guide for enforcing laws and administering justice. We need to do better in using legislative procedures to turn the Party’s positions into the will of the country and into laws, which in turn ensure that the Party’s policies are effectively implemented and that the Party can play its core leadership roles of exercising overall guidance and coordinating the efforts of everyone. After the Party’s policies are made into law, the enforcement of the law means the implementation of the will of the Party, and acting in accordance with the law means carrying out the Party’s policies. The Party leads the people in enacting the Constitution and laws and in enforcing them, and it must operate within the confines of the Constitution and laws. The Party leads legislation, ensures law enforcement, and leads the way in abiding by the law. In our judicial, procuratorial and public security work, we should consciously safeguard the authority of the Party’s policies and the country’s laws, make sure to implement them

properly in a unified way, and avoid setting them against each other or isolate one from the other. If contradictions arise between the two, we should strive to implement them properly in a unified way.

...

The 18th CPC Central Committee made important arrangements for judicial structural reform at its third plenary session, showing that it attaches great importance to this reform. Judicial structural reform is a major component of political structural reform, and it is important for modernizing our country's governance system and capacity for governance. Judicial, procuratorial and public security organs need to quickly establish a fair, efficient and authoritative socialist judicial system by strengthening leadership, working together and seeking real results.

...

The kind of judicial system a country has is, in the final analysis, determined by its national conditions. The key to judging a country's judicial system is to examine whether it accords with its national conditions and whether it can resolve its practical problems. Practice proves that our country's judicial system in general is in accord with our national conditions and development requirements, and we must have greater confidence in the socialist judicial system with Chinese characteristics and strengthen our political resolve.

At the same time, our judicial system requires constant development and improvement in the course of reform. There are many prominent problems concerning the

enforcement of laws and the administration of justice. The reasons for this are multi-faceted, but much of the problem relates to the unreasonable judicial system and work mechanisms. For example, judicial organs' officers and financial resources are under the control of local authorities, which makes judicial activities susceptible to their intervention; the problem of subjecting the judiciary to excessive administrative intervention is prominent, and those who hear a case do not pass sentence, and those who pass sentence have not heard the case; judicial officers are managed just like ordinary public servants, and this is not conducive to raising their professionalism or ensuring that cases are handled properly; and the administration of justice is not transparent, which leaves room for backroom deals. These problems not only make it difficult for the judiciary to play its roles in remedying rights infringements, settling disputes and limiting public power, but also make it difficult to achieve social equity and justice. To solve all these problems, we need to deepen judicial structural reform.

...

To deepen judicial structural reform we must first adhere to the right political orientation. As I have said before, the purpose of comprehensively deepening reform is to better develop the cause of the Party and the people, not to seek praise or approval from someone, and even more importantly, we cannot mechanically imitate Western theories and views. We need to stick with taking our country's conditions and the actual requirements for economic and social development as our starting point. These comments

of mine are particularly applicable to judicial structural reform. We are deepening judicial structural reform in order to better uphold the leadership of the Party, make better use of the unique features of our country's judicial system, and better promote social equity and justice. If the reform of anything that should and can be reformed is in accord with this orientation, we must be resolute in carrying it out. If the reform of anything that should not be reformed is not in accord with this orientation, we must be firm in leaving it alone. If we simply copy and mechanically transplant others' solutions, the result will be ill-suited to our national conditions, and in extreme cases, catastrophic mistakes could be made on fundamental issues.

...

An important objective of deepening judicial structural reform is to improve judicial credibility, so that the judiciary can genuinely play its role as the last line of defense for social equity and justice. We need to work hard to resolve deep-seated problems and eliminate obstacles in judicial institutions, mechanisms and guarantees that affect judicial fairness and constrain judicial capabilities, with the focus on three areas: ensuring independent and impartial exercise of judicial authority and prosecutorial powers in accordance with the law; improving the mechanisms for the exercise of judicial powers; and improving the system of judicial guarantees for human rights.

...

Establishing a management system for judicial officers in accordance with the nature of the profession is of

fundamental importance for deepening judicial structural reform, and creating such a system will bring many other reforms in line. Judicial activities have their own special characteristics and inherent principles. Judicial authority is the authority to make judgments and rulings based on the facts of a case and the law, and it requires that judicial officers have necessary practical and social experience and possess a high level of professional attainment and integrity.

—Excerpts from a speech at the Central Conference on Judicial, Procuratorial and Public Security Work, January 7, 2014

To combat corruption, we must strengthen oversight and keep a close eye on the exercise of power. In order to confine the exercise of power to an institutional cage, we must first of all build a strong cage. If the cage is poorly built or if it is well built but the door is left open, it will be useless. We have taken measures, including having agencies for discipline inspection and supervision play a supervisory role; improving inspection visits; building a system for leaders to communicate with officials; opening channels for the public to report on and monitor professional misconduct; and getting public opinion, including that on the Internet, to play a role in exercising oversight. An important aim of this is to build a strong cage for the exercise of power and to strengthen oversight.

...

Our practical experience has shown us that there are two main problems undermining the effectiveness of our anti-corruption work. One is that the institutions and mechanisms for combating corruption are not good enough, and functions are scattered throughout agencies so they do not come together as a coherent force for oversight. The other is that for various reasons, some cases are not investigated and dealt with thoroughly, and some fields are prone to corruption but there is a lack of accountability. We have to rely on institutions to solve these problems.

...

To constrain and oversee power more effectively, it is essential to ensure that commissions for discipline inspection at all levels enjoy independent and authoritative oversight powers. It was decided at the Third Plenary Session of the 18th CPC Central Committee to make the dual system of leadership (by the Party committee at the same level and the commission for discipline inspection at the next higher level) of the Party's discipline work more specific, procedure-based and institutionalized, and to strengthen leadership of the work of discipline inspection commissions by the commission at the next higher level. It was also made clear at the session that the next higher level commission for discipline inspection should take the lead in investigating and handling corruption cases, and in conjunction with the organization department, take the lead in nominating and assessing the secretary and vice secretaries of the commission for discipline inspection. All of this should

help us to uphold the Party's leadership in the fight against corruption and uphold the principle of the Party supervising officials. It will also ensure that commissions for discipline inspection exercise their oversight powers, and will help toward intensifying anti-corruption work.

...

We should strengthen checks on power, divide powers reasonably, and allocate powers properly. We need to make sure that different kinds of powers are exercised by different departments, agencies or individuals, and create a well-designed power structure and mechanisms for exercising it. We need to strengthen oversight activities and improve oversight of officials' exercise of power, especially those who serve in top posts. We need to increase the internal oversight of leading bodies and intensify administrative supervision and auditing and inspection oversight. Commissions for discipline inspection should station inspectors in all Party and state bodies to carry out oversight and send inspectors to all localities, government departments, enterprises and public institutions to make inspections. We will increase transparency by implementing a system under which the powers of local governments at all levels and their departments are completely listed, and publicize the procedures for exercising power in accordance with the law in order to ensure that power is exercised openly and properly, and both officials and ordinary people can conduct oversight.

...

An important aspect of the reform of anti-corruption

institutions and mechanisms is to clarify and assign responsibility. No matter how good a system is, it will be a paper tiger or a scarecrow if responsibility is neglected and people are not held to account.

...

To eradicate the breeding ground of corruption, we must deepen reform in every field. Preparedness ensures success, while unpreparedness can only court failure. We have learned from our historical experience that reform is a process of abolishing the old and building the new. If we do not make reforms complete or linked, or if we fail to implement them in good time and good order, then gaps and loopholes can easily occur in institutions and mechanisms, which increases opportunities for rent-seeking behavior and corruption. We have been aware of such phenomena since we first embarked on reform and opening up. There have been people who have taken advantage of the opportunities that present themselves during transitional times to gain personally at the public's expense. How many people profited from our dual pricing system? How many people profited from SOE reform? We must learn from the past so that we will not repeat the same mistakes. We need to make reforms more systematic, more holistic, and better coordinated, and at the same time prevent new forms of corruption from arising as reform progresses. We need to avoid creating an institutional vacuum, plug any possible loopholes that could give rise to corruption, and ensure the smooth progress of reforms.

*—Excerpts from a speech at the third full assembly
of the 18th Central Commission for Discipline
Inspection, January 14, 2014*

VII

DEEPENING CULTURAL STRUCTURAL REFORM AND STRENGTHENING CORE SOCIALIST VALUES

We need to strengthen core socialist values; promote prosperity, strength, democracy, civility, and harmony; foster freedom, equality, justice, and the rule of law; advocate patriotism, professionalism, integrity, and friendliness; and cultivate and practice core socialist values and make them the common pursuit of everyone.

...

In light of the changing situation, I believe that we need to make guiding online public opinion the number one priority in our work to improve publicity and guide people in their ways of thinking. This is work related to people; its focus should be wherever they are. China has nearly 600 million Internet users, more than 460 million of whom access the Internet via their mobile phones, and over 300 million of whom are microbloggers. Many people, especially young people, basically ignore the traditional mainstream mass media and obtain most of their information from the Internet. We must accept this reality, put more effort into guiding online public opinion, and seize the initiative in this field before we are marginalized. We need to address our “panic” over a lack of competence in this field, and become proficient at using modern media. We need to fight an intensive battle of online public opinion, strictly prevent and curb attempts to attack and infiltrate China through the Internet, and organize our resources to refute misguided ways of thinking and viewpoints online. We need to strengthen management of the online community in accordance with the law, strengthen supervision of new web-based technologies and apps, and ensure that the

Internet can be supervised and controlled in order to keep our cyberspace pure and lively. This will be no easy task, but it still must be done.

...

The social conditions of our work to improve publicity and guide people in their ways of thinking today are quite different from before. Some approaches that were effective in the past may no longer work today; some things that were inappropriate in the past are now imperative; and some of the problems that were insurmountable in the past now must be overcome. As the old sayings go, "Anyone who fails to learn new things will be left behind," and "The wise man changes with the times and follows the prevailing trend." Being innovative in our work to improve publicity and guide people in their ways of thinking is more crucial now than ever before.

...

To make innovations in our work to improve publicity and guide people in their ways of thinking, we need to focus on being innovative in our own thinking, in our methods, and in our community-level work. Making innovations in our thinking involves ensuring that our thinking remains incisive and open, breaking free from traditional mindsets, and using new understanding to break new ground in our work. Making innovations in our methods involves actively exploring new measures and new approaches for solving problems in our work. As our society becomes increasingly reliant on information technologies, it is particularly important to accelerate the convergence of traditional and

emerging media, make full use of new technologies and new applications to create new forms of media communication, and occupy a leading position in information sharing. Making innovations in community-level work involves focusing on innovation at the community level and making a good job of improving community-level work and laying the foundations for future work.

...

With regard to cultural structural reform, I only want to emphasize one point. As we continue to boldly carry out reform, promote the all-around flourishing of cultural programs and the rapid development of the cultural sector, and as we build a strong socialist culture in China, we need to achieve a better balance between ideological and commercial attributes and between social and economic benefits. We need to always maintain the orientation of advanced socialist culture, and always give precedence to social benefits. No matter what or how we reform, we cannot change our orientation or abandon our position.

...

We need to become better able to communicate with international audiences; make innovations in our international publicity methods; establish a system of conducting China's international discourse; work hard to develop new concepts, new categories, and new formulations with which China can communicate with the world; tell China's story well; effectively communicate what China has to say; and ensure that what we say carries more weight on the international stage.

—Excerpts from a speech at the National Conference on Improving Publicity and Guiding People in Their Ways of Thinking, August 19, 2013

Developing the economy is the Party's central task, and guiding people in their ways of thinking is a vital part of the Party's work. Faced with the complexity of balancing reform, development and stability, the diversity of thinking and opinion in society, and the profound changes in the media landscape, we must never relax or weaken our guidance of people's ways of thinking while focusing on developing the economy. We must hold on firmly to our leadership and management of this work, and the say we have in it. At no time can these things be allowed to fall into the hands of others; if that were to happen, there would be irrevocable historic consequences. On the basis of the general requirements of holding high the great banner of socialism with Chinese characteristics, focusing on the overall interests of the country, serving the people, and promoting reform and innovation, we need to promote publicity and guide people in their ways of thinking properly, strengthen socialist culture, expand the influence of mainstream thinking and public opinion, and focus on promoting unity of thinking and drawing together our strength.

...

We need to make innovations in the concepts and methods of our work and our community-level work, and we especially need to make sure to get the timing of our

guidance on public opinion right, and do it appropriately and effectively. We need to guide our people in reaching a comprehensive, objective understanding of contemporary China and the outside world, and enhance their confidence in the path, theories and system of socialism with Chinese characteristics. We need to clarify responsibilities, unite our strength, and get the whole Party to take part in improving publicity and guiding people in their ways of thinking. We need to ensure that everyone has their own responsibilities, shoulders those responsibilities, and spares no effort in fulfilling them and that major problems concerning our publicity and guidance of people's ways of thinking are promptly discovered and resolved.

—Excerpts from a speech at the first full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 9, 2013

We need to stay on the path of developing a socialist culture with Chinese characteristics, promote advanced socialist culture, and deepen cultural structural reform. We should promote the great development and flourishing of socialist culture; enhance the cultural creativity of the entire nation; and get all sources of cultural creative energy to flow freely.

...

Chinese culture is the richest source and an important channel for increasing our country's cultural soft power. We

need to help the most basic cultural genes of the Chinese nation to fit into contemporary culture, bringing them into step with today's society. We need to promote Chinese culture in ways that people enjoy and can widely participate. We need to foster a cultural spirit that transcends temporal and national boundaries, has lasting charm and embodies contemporary values. We should share with the outside world creative contemporary Chinese cultural achievements that both carry forward China's outstanding cultural traditions and embody the spirit of contemporary China. We need to select the best features of traditional cultural resources and inject new life into the treasures buried away in our ancient palaces, the heritage sites spread all over our vast land, and our rich wealth of ancient writings.

...

We need to improve our mechanisms and create new methods for cultural exchanges; get all local authorities and government departments to play a role; and use a variety of means to demonstrate the appeal of Chinese culture, including sharing and communication on a one-to-one basis, on a group basis, and to a larger-scale audience.

—Excerpts from a speech at the 12th group study session of the Political Bureau of the 18th CPC Central Committee, December 30, 2013

We need to energetically foster and promote core socialist values; promptly establish a value system that fully

reflects Chinese characteristics, our national identity, and the features of our times; and strive to occupy the leading position on this issue. Ethical values play a very important role among core values. Without morals, a country cannot thrive, and its people cannot stand upright. Whether or not a nation or an individual has a strong sense of identity largely depends on their morals. If our people cannot uphold the moral values that have been formed and developed on our own soil, and instead indiscriminately and blindly parrot Western moral values, then it will be necessary to genuinely question whether we will lose our independent ethos as a country and a people. Without this independent ethos, our political, intellectual, cultural and institutional independence will have the rug pulled out from under it.

—Excerpt from a speech at a workshop for principal officials at or above the provincial and ministerial level on studying and implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and comprehensively deepening reform, February 17, 2014

We need to make sure that what we are advocating is closely connected to people's daily lives, paying particular attention to its implementation, right down to the finest detail. We need to improve the rules and regulations of all trades and professions, as well as improving codes of conduct for citizens and students in accordance with core

socialist values so that everyone is able to apply these values in their daily work and life.

...

Rites and customs are an effective means to elucidate values and edify the people. We must establish a sound system of rites and customs including, for example, flag ceremonies, rites of passage, and ceremonies for joining the CPC, the Communist Youth League, and the Young Pioneers. We should use significant anniversaries, traditional festivals and other opportunities to organize and carry out multiple forms of commemorative and celebratory activities to share and communicate mainstream values and enhance people's sense of identity and belonging. Certain major ceremonial activities should be elevated to the national level so that they can play their role in edifying society. As Confucius said, "If the people be led by virtue, and uniformity sought to be given them by the rules of propriety, they will have a sense of shame, and will become good."

...

Core socialist values should not only be cultivated and fostered by guiding people in their ways of thinking and encouraging good habits, but should also be guaranteed by institutions and mechanisms. Western countries are very good at this. Even though their governing parties alternate in power every four or five years, their values are stable and consistent. One important reason for this is that the design of their systems, the formulation of their policies, laws and regulations, and their judicial and administrative actions are all governed by their core values. Our economic, political,

cultural, and social policies should all play a guiding role in helping cultivate core socialist values. We need to transform these values into binding laws and use the law to promote their development. All forms of social governance should assume responsibility for promoting core socialist values and reflect them in day-to-day affairs so that behaviors in line with these values are encouraged and behaviors contrary to them are constrained.

—Excerpts from a speech at the 13th group study session of the Political Bureau of the 18th CPC Central Committee, February 24, 2014

With the focus on fostering core socialist values and building a strong socialist culture in China, we need to improve our system of managing the cultural sector and mechanisms for cultural production and management, and establish a sound modern system of public cultural services and a modern cultural market system, in order to promote the vibrant development and flourishing of socialist culture.

—Excerpt from a speech at the second meeting of the Central Leading Group for Comprehensively Deepening Reform, February 28 2014, published in the People's Daily on March 1, 2014

VIII

**REFORMING AND MAKING
INNOVATIONS IN SOCIAL
INSTITUTIONS, PROMOTING
EQUITY AND JUSTICE, AND
IMPROVING QUALITY OF LIFE**

Our people love life and wish to have better education, greater job security, more decent incomes, more reliable social security, a better standard of health care services, more comfortable living conditions, and a more beautiful environment. They want their children to grow up well, have better jobs, and lead more fulfilling lives. The people yearn for a better life, and our goal is to help them achieve it.

—Excerpt from a speech at a press conference held by the Standing Committee of the Political Bureau of the 18th CPC Central Committee, November 15, 2012, published in the People's Daily on November 16, 2012

Employment affects the lives of countless families. At present, our country faces the serious problems of great pressure on employment, structural labor shortages, and a lack of skilled workers. Some coastal areas are also dealing with a large migrant population and cyclical labor shortages and surpluses. China has a large labor force, and also suffers downward pressure on its economy. If we don't handle employment issues well, serious social problems will arise. Therefore, we must effectively coordinate economic and social development with the work of increasing employment. We must do everything in our power to increase job opportunities. We need to work hard to raise the quality of employment; raise the employability of the labor force, especially those who are having difficulties in finding a job;

and improve the environment for starting businesses. We need to establish a training system for all employees, and guide the labor force to both adapt and give impetus to the transformation and upgrading of enterprises.

—Excerpt from a speech given during a visit to Guangdong, December 7-11, 2012

The reform of the income distribution system is a formidable and complicated systemic project. All regions and government departments need to fully realize the great importance of deepening reform of this system, and should treat it as an important priority to implement the income distribution system, increase the income of both urban and rural residents, narrow the income gap, and standardize income distribution. We need to be making every effort to resolve problems of the greatest concern to the people.

—Excerpt from a speech at the second full assembly of the Second Plenary Session of the 18th CPC Central Committee, February 28, 2013

We need to be quicker about making innovations in institutions and mechanisms related to the people's wellbeing, and see to it that the distribution of public resources extends to the community level and to rural areas, and gives high priority to disadvantaged groups. There are

four key points we must keep in mind:

First, we need to concentrate on priorities. We need to focus on the most practical problems of the greatest and most direct concern to the people and on the groups that are most in need, and we should provide more assistance to meet emergency needs.

Second, we must adopt a pragmatic approach to our work. We must do all we can under the present circumstances so that the people enjoy tangible benefits. We must never make empty promises or give the people false hopes; otherwise, we will lose their trust.

Third, we must be persevering. We need to make ensuring and improving the quality of life of our people a long-term task. We should tirelessly press ahead and keep getting things done.

Fourth, we need to improve organizational work. Officials at all levels should lead the people in working diligently together to create better lives for themselves. We cannot have a situation wherein the leaders are uninterested in what the people want or wherein the people lack enthusiasm for what leaders are trying to achieve.

—Excerpt from a speech given at the end of a visit to Hainan, April 10, 2013

We need to implement the guiding principles of the 18th National Party Congress and draw up plans to make building a more peaceful and stable China part of the cause

of socialism with Chinese characteristics. With the focus on achieving the Two Centenary Goals, we need to direct our efforts toward providing the people with the more peaceful and stable China that they want; persevere in preventing and controlling problems at the source and dealing with them systemically, comprehensively and in accordance with the law; strive to resolve deeply rooted problems; and concentrate on making China more peaceful and stable in order to ensure that our people live and work in peace and contentment, our society is stable and orderly, and our country enjoys lasting political stability.

*—Directive on building a peaceful and stable China,
May 2013, published in the People's Daily on June 1,
2013*

We need to fully inspire the enthusiasm of the whole of society, maximize the dynamism of social development, and get the people to fully express their creative spirit through reforming and making innovations in social systems, so that the creativity of the whole of society is fully unleashed and entrepreneurship flourishes.

...

We will achieve greater social equity and justice, and more effectively safeguard all of people's rights and interests through better institutional arrangements. On the basis of the people's concerted efforts and ongoing economic and social development, we will safeguard

people's legitimate rights and interests and ensure that everyone equally enjoys their rights and fulfills their duties in accordance with the law.

—Excerpts from a speech at a meeting with provincial and municipal leaders in Wuhan, July 23, 2013, published in the People's Daily on July 25, 2013

China has 260 million students and 15 million teachers, so the task of developing education is onerous. China will remain firmly committed to implementing the strategy of revitalizing the country through science and education. We will always give strategic priority to developing education, constantly increase spending on education, work hard to develop education for all and lifelong learning, make China into a learning society, strive to give every child the opportunity to receive an education, and do all we can to give our 1.3 billion people a better and more equitable education, so that they can develop themselves, contribute to society and benefit the people.

—Excerpt from a video message shown at an event marking the first anniversary of the United Nations Global Education First Initiative, September 25, 2013, published in the People's Daily on September 27, 2013

To accelerate development of the housing support and supply system, we need to properly handle the relationship between public services and marketization, between the economic and social functions of housing development, between what is needed and what is possible, and between the need to provide housing support and the need to avoid the welfare trap. We can only fully enliven the market and meet the different levels of demand for housing by carrying out reform to make housing development more market-based. However, there will always be people who have housing difficulties due to skill mismatches, underemployment or low income levels, and thus it will be necessary for the government to step in and provide basic housing support to those in need.

...

We need to accelerate the establishment of a unified, standardized, sophisticated and stable housing supply system by reviewing our experiences in housing reform and development; learning from other countries' successes in housing supply; thoroughly studying the nature of how housing development itself works; and strengthening top-level policy design. While making every effort to increase housing supply, we also need to make guiding people to adjust their demand for housing a priority; establish a sound system of standards for housing that is economical, suitable, environmentally friendly, energy-conserving, and safe; and advocate a housing consumption model that suits China's particular circumstances.

—Excerpts from a speech at the tenth group study session of the Political Bureau of the 18th CPC Central Committee, October 29, 2013, published in the People's Daily on October 31, 2013

National security and social stability are prerequisites for reform and development. Reform and development can progress only if the country is secure and society is stable. Currently, China faces the dual pressures of having to safeguard its sovereignty, security, and development interests externally while ensuring political security and social stability internally. The risks we face, foreseeable and unforeseeable, are increasing significantly; however, our security systems and mechanisms still cannot fully ensure national security. We need to establish a strong platform from which to coordinate our national security work. It is therefore urgent that we establish a National Security Commission to strengthen centralized leadership of national security matters.

—Excerpt from the speech "Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform," November 9, 2013, published in the People's Daily on November 16, 2013

Promoting social equity and justice and improving the people's wellbeing must be both the starting point and the ultimate goal of comprehensively deepening reform. This is a necessary requirement for upholding the fundamental purpose of our Party, which is to serve the people wholeheartedly. In comprehensively deepening reform, we must focus on creating a fairer and more just social environment, constantly eliminate inequalities and injustices, and ensure that all the people benefit more from the fruits of reform and development and benefit more equitably from them. If our reforms cannot bring tangible benefits to the people or create a fairer social environment, or worse still, if they lead to more injustice, then reform will lose its meaning and will be unsustainable.

...

Whether social equity and justice are achieved is determined by many factors, the most important of which is the level of economic and social development. Understanding of and demands for social equity and justice differ at different levels of development, in different historical periods, and among people of different thinking and from different social strata. In looking to achieve greater social equity and justice, we need to proceed from the fundamental interests of the overwhelming majority of the people, and view and address this issue from the perspective of the level of social development, overall social circumstances, and the people as a whole. Many of the unfair and unjust phenomena in China today originate from development, and these problems can be dealt with

in the process of constant development and through institutional arrangements, legal norms and policy support. We must firmly take economic development as our central task, promote sustained and sound economic growth, and make the “pie” bigger in order to lay a more solid material foundation for safeguarding social equity and justice.

This is not to say that we should wait for the economy to be further developed before resolving issues of social equity and justice. Every period of time has its own problems. Highly developed societies have their distinctive problems, as do less developed ones. As the pie grows increasingly bigger, we must divide it up fairly. It has always been believed in Chinese society that “inequality, rather than want, is the cause of trouble.” On the basis of constant development, we should do everything in our power to promote social equity and justice while at the same time acting within our capabilities; and we should strive to keep making progress in ensuring that all our people have access to education, employment, medical services, old-age care, and housing.

...

No matter what level of development a society is at, institutions are an important guarantee for social equity and justice. We need to create new institutions to overcome inequalities and injustices caused by human factors, and ensure the people’s right to participate and develop on an equal footing. We should use the promotion of social equity and justice and improvements in the people’s wellbeing as a mirror to examine all our institutions, mechanisms, policies, and regulations. We should reform that which is

contrary to social equity and justice, and focus reform on where problems are prominent. We must promptly rectify inequalities and injustices resulting from inappropriate institutional arrangements so that our arrangements better reflect the socialist principles of fairness and justice, and better realize, safeguard and develop the fundamental interests of the overwhelming majority of the people.

—Excerpts from the speech “Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee,” November 12, 2013, published in the journal Qiushi, No. 1, 2014

All levels of Party Committees, government, and officials should firmly keep in mind the concept of ensuring safety in development; that is, they must always put people’s lives and safety first and must firmly adopt the thinking that development should not come at the cost of human life. This thinking must be very explicit, emphatic and firm. All regions, government departments and enterprises must insist on high standards and strict requirements for workplace safety. We need to impose stringent regulations pertaining to workplace safety when attracting investment and launching new projects. We should increase the weight of workplace safety indicators in performance appraisals, and make it clear that failure to create a safe working environment and prevent major workplace accidents from occurring equals total failure.

We need to quickly establish a robust responsibility system for safety in the workplace whereby both the Party and the government assume responsibility and officials are held responsible for both production and safety, and they all work together. We need to develop the strictest possible workplace safety regulatory system. Weak management and inadequate supervision are major reasons behind our frequent workplace accidents. Not only government departments but also Party committees must ensure workplace safety. Party committees are supposed to deal with major issues. Development is a major issue, and so is workplace safety. Because workplace safety affects people's interests and it concerns reform, development, and stability, Party and government heads must take charge of this work. We must adhere to the strictest possible workplace safety system, but what do we mean by "strictest"? Assigning responsibility. We need to assign responsibility for workplace safety to every job and every individual, require leaders of industries and professions to be responsible for workplace safety, strengthen oversight and inspection, and rigorously carry out assessments and mete out rewards and punishments, in order to achieve overall progress in ensuring workplace safety.

—Excerpts from a speech made after being briefed on an explosion caused by a leaking oil pipeline in the Huangdao Economic Development Zone, Qingdao, November 24, 2013

On the basis of the thinking of maintaining the baseline, emphasizing key areas, improving institutions and guiding public opinion, we need to continue to carry out overall planning for education, employment, income distribution, social security, medical and health care, housing, food and workplace safety, and make a good job of improving people's lives. We need to gradually raise people's standard of living as the economy develops and our fiscal situation improves. The government's place is not to make excessive promises, but to ensure that the people have access to basic daily necessities, with the emphasis on providing timely help when needed. We need to guide and encourage the people to improve their lives and prosper through hard work. The government cannot provide them with everything they need. We need to focus on developing institutions, making sure that money is spent on building these institutions rather than on enforcing stability. We need to strive to address large regional differences and institutional fragmentation.

—Excerpt from a speech at the Central Economic Work Conference, December 10, 2013

Food safety is achieved through regulation. Given the large number of food producers and sellers and the complexity of the risks involved, depending solely on people to exercise supervision would be costly and produce poor results. We need to improve the regulatory system and strengthen regulatory methods to ensure food

safety from farm to table. To overcome the problem of different government departments having poorly defined responsibilities and overlapping functions, we set up a mechanism for regulating and coordinating food safety and established food safety regulatory agencies. It is easy to specify roles and areas of authority, but it is hard to achieve genuinely effective vertical and horizontal coordination. More effort and ideas are needed in this regard.

—Excerpt from a speech at the Central Rural Work Conference, December 23, 2013

Cybersecurity and IT application cannot exist in isolation from each other. They are two parts of one and the same thing and must be planned, deployed, advanced and implemented in unison. To make sure that our cybersecurity and IT application work is done properly, we need to correctly handle the relationship between security and development, and coordinate them so they advance in unison. Then security will protect development and development will promote security and together these two will flourish and help to ensure long-term political stability.

...

We need to promptly formulate a legislative plan for improving laws and regulations on managing the flow of Internet-based information and protecting critical information infrastructure. We need to govern cyberspace in

accordance with the law and safeguard the legitimate rights and interests of our citizens.

—Excerpts from a speech at the inaugural meeting of the Central Leading Group for Cybersecurity and IT Application, February 27, 2014, published in the People's Daily on February 28, 2014

The key to strengthening and making innovations in social governance is to make institutional innovations, and it is people who can make this happen: there will be social stability and order only when people live in harmony with each other. The focus of social governance must be on urban and rural communities, and we must strengthen our community service and governance capabilities to provide a solid foundation for social governance. We need to thoroughly investigate and study our governance system, and deepen and expand network governance. We need to do everything we can to transfer to community-level organizations both the resources and the functions of providing public services and exercising social governance, so that they have the mandate, the power, and the means to provide well-focused services to the people and conduct professional and effective governance. We need to strengthen regular urban governance, focus on salient issues of concern to the people, and pay close attention to persistent ailments in urban management. We need to improve services for and management of the population, and make more use

of market-oriented and law-based means to promote the orderly flow of the population, control the total population, and improve the demographic structure.

—Excerpt from a speech to the Shanghai delegation during the Second Session of the 12th National People's Congress, March 5, 2014, published in the People's Daily on March 6, 2014

The Chinese Dream is the dream of the Chinese nation, and also the dream of each and every Chinese person. We intend to present everyone the opportunity to develop themselves, contribute to society, excel, and make their dreams come true; to ensure that people enjoy equal rights both to participate and to develop themselves; and to safeguard social equity and justice, so that more of the fruits of development are spread more equitably to all our people, and steady progress is made toward shared prosperity.

—Excerpt from a speech at a meeting marking the 50th anniversary of the establishment of diplomatic relations between China and France, March 27, 2014, published in the People's Daily on March 29, 2014

IX

ESTABLISHING TARGETS, METHODS OF APPRAISAL, AND INCENTIVE MECHANISMS THAT PROMOTE ECOLOGICAL PROGRESS

The integrated plan for promoting economic, political, cultural, social and ecological progress with Chinese characteristics set forth at the 18th National Congress of the Party gives higher priority to making ecological progress and stresses the need to achieve development in a scientific way and accelerate transformation of the growth model. If we were to continue to carry out resource-intensive development, even if we were able to achieve the target of doubling our 2010 GDP by 2020, can you imagine what kind of pollution we would be faced with? I'm afraid it would push the carrying capacity of our resources and environment beyond breaking point. Imagine what China's environment would be like if we doubled our current economy without transforming the growth model and addressing overcapacity. The economy may do well, but our people would not be that happy and may even be deeply dissatisfied. How would we deal with the situation then? Promoting ecological advancement, strengthening environmental protection and advocating a green, low-carbon lifestyle cannot be viewed only as economic issues. They are issues of huge political significance.

—Excerpt from a speech at a meeting of the Standing Committee of the Political Bureau of the 18th CPC Central Committee on China's economic conditions in the first quarter of 2013, April 25, 2013

To make ecological progress, we must fully implement the guiding principles of the 18th National Party Congress, and follow the guidance of Deng Xiaoping Theory, the important thought of Three Represents and the Scientific Outlook on Development. We must cultivate people's ecological awareness so that they respect, are in tune with, and protect nature. We must adhere to the basic state policy of resource conservation and environmental protection, and the principle of giving high priority to conserving resources, protecting the environment, and letting nature restore itself naturally. We need to incorporate ecological progress into all aspects and the whole process of seeking economic, political, cultural and social development. We need to focus on establishing ecological thinking, improving ecological systems, maintaining ecological security, and improving the environment. We need to form patterns in the use of space, industrial structures, modes of production and a way of life that conserve resources and protect the environment.

...

We must rely on systems and the rule of law to protect the environment. We can ensure ecological progress only by implementing the strictest systems and the most stringent laws.

To do this, what is most important is to improve the systems for appraisal and evaluation of economic and social development by including such ecological indicators as resource consumption, environmental damage and ecological benefits as evaluation criteria. We need to establish a set of targets, methods of appraisal, and incentive mechanisms that

promote ecological progress, using them as important guides and constraints in our ecological work. We must completely change the thinking that the growth rate of GDP is the only criterion for measuring success, and give prominence to the environment in the evaluation system for economic and social development. If a locality or a government department performs poorly in this regard, it will not be commended for its good performances in other areas. I do not mean to say that only environmental improvement counts, but it does carry a great deal of weight.

...

We need to establish an accountability system for officials. When they make rash decisions which results in serious environmental damage, they must be held accountable and their actions should stay with them for the rest of their life. We must deal with them in this way; otherwise, however we were to deal with them would be no more than a formality. We cannot let officials wreck environmental havoc in their posts, and then let them move on to another position of leadership without holding them accountable. Organization departments, statistics departments, regulatory agencies, and those departments with overall responsibility for the economy need to make sure that this work is carried out properly.

...

When it comes to institution building, we will establish a sound system for managing natural resources and the environment, and accelerate the establishment of a system for developing and protecting the country's territorial space.

We will strengthen the system for preventing and controlling water, air, soil and other forms of pollution. We will establish compensation systems for resource consumption and ecological damage that reflect market supply and demand and resource scarcity, reflect ecological value and require intergenerational compensation. We will also improve the accountability system for environmental protection and the compensation system for environmental damage, and strengthen the role of institutional constraints.

—Excerpts from a speech at the sixth group study session of the Political Bureau of the 18th CPC Central Committee, May 24, 2013

We will incorporate marine ecological improvement into our overall plan for marine development. We will attach equal importance to development and protection and give equal emphasis to the prevention and control of pollution and to ecological restoration. We will develop and utilize marine resources effectively and properly, and safeguard the natural reproduction capacity of the ocean. We need to establish a system to control the total quantity of pollutants discharged into the ocean and effectively control the discharge of land-based pollutants into the ocean at their source. We need to improve the system for assessing the environmental impact of ocean engineering and conduct strong project assessments in order to prohibit launching projects that would seriously harm the

marine environment. We need to quickly draw up plans for protecting and utilizing coastlines, strictly control coastal land reclamation projects and protect coastal wetlands. We need to deal severely with the construction on projects for which applications for approval have not been processed and reviewed, as well as the deceitful practice of breaking up projects into smaller parts in order to obtain approval. We need to accelerate the establishment of a system of compensating for damage to the marine ecosystem and paying restitution for ecological damage, carry out projects to restore the marine environment, develop marine nature reserves, and improve the mechanisms for responding to marine environmental emergencies.

—Excerpt from a speech at the eighth group study session of the Political Bureau of the 18th CPC Central Committee, July 30, 2013

Energy consumption, pollution levels and emissions are extremely high in Hebei Province, which means that the environmental deterioration there is yet to be halted. Of our country's 74 cities that are monitored most closely, seven of the ten most polluted cities are in Hebei. If the province fails to reduce the production of its energy intensive, highly polluting and high emission industries, its resources and environment will be unable to withstand the consequences. Then, not only would it be hard for Hebei to sustain development, it would become difficult for the environment

of the surrounding areas and even that of the whole country to withstand such damage. In recent years, Beijing has been plagued by smog, sometimes to the extent that it seems as if the city is covered by rolling clouds of dust. This seriously affects people's health and tarnishes the image of the Party and the government:

...

We will reduce the importance of GDP as a metric for evaluating your performance. As long as you make a good job of green development and contribute to controlling air pollution and reducing smog, you deserve to be commended and called a hero, even if your GDP slips to seventh or eighth in the country. Conversely, you will be judged harshly if you only increase GDP while environmental problems worsen or are left unsolved.

—Excerpts from speeches at an intra-Party meeting of the Standing Committee of the CPC Hebei Provincial Committee, September 23-25, 2013

A healthy environment is the most equitable of all public goods, and it is the one thing that can benefit everyone. We need to balance economic development with environmental protection; firmly bear in mind that protecting and improving the environment means protecting and developing the productive forces; more consciously promote green, circular and low-carbon development; and never sacrifice the environment in exchange for temporary economic growth.

—Excerpt from a speech at the first full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 9, 2013

Improving the national system of managing natural resource assets is an important reform for developing a sound system of property rights for these assets. It is also integral to establishing a complete set of systems for advancing ecological progress.

...

To a certain extent, some of our major problems in ecological conservation and environmental protection have resulted from our faulty management system. One of the reasons is that there are no clearly defined owners of state-owned natural resource assets, which means no one exercises the rights and interests of ownership. To solve this problem, the resolution of this session proposes that the country's system of managing natural resource assets be improved. The general idea is to clarify the ownership of state-owned natural resource assets and establish a system to ensure unified exercise of responsibility by their owners in accordance with the principles of separation between ownership and management and one matter being handled by one department only.

...

The difference between the state's exercise of ownership and management over state-owned natural resource assets

and the state's supervision of the natural resources within its territory is that the former is the owner's right, whereas the latter is the manager's authority. This requires us to improve the natural resource supervision system and centralize the management of the usage of our territorial space so that the owners of state-owned natural resource assets and the managers of the country's natural resources act independently while cooperating with and overseeing each other.

...

Our mountains, waters, forests, and farmlands form a community of life. The lifeblood of people comes from farmlands, which come from water, which comes from mountains, which come from soil, which comes from trees. We must follow the laws of nature in managing the exploitation of natural resources and restoring the ecosystem. If people only take care of their own responsibilities so that those in charge of trees only care about planting trees, those in charge of rivers and lakes only care about waters, and those charged with protecting farmlands are only concerned with protecting arable land, then it is very likely we will succeed in one area while failing in another, and this will eventually lead to systemic ecological destruction. Therefore, it is imperative to put one department in charge of managing the usage of all our territorial space and carrying out unified protection and restoration of mountains, waters, forests, and farmlands.

—Excerpts from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

We need to understand that given the limits of our territorial space, the more land we use for construction, the less there will be for green space. This will decrease nature’s capacity for self-regeneration and self-purification, and regional ecological environments and urban living environments will deteriorate. We need to study and draw on mature experience, adjust the intensity of development as appropriate and delineate development boundaries for all cities, especially megacities, as quickly as possible, on the basis of the natural conditions of each region. We need to locate cities within nature, and keep the water clean and the mountains green for city residents to enjoy.

...

It is necessary to take into account the impact every detail of urban planning and development may have on nature, and it is especially important that natural systems are not destroyed. Why do so many cities have water shortages? One major reason is that there is too much paved land where there should be forests, grassland, lakes and wetlands that can conserve water resources, thus breaking the natural water cycle. When it rains, rainwater

runs off as wastewater, leaving less groundwater to extract. To address water shortages in our cities, we must bring ourselves into tune with nature. For example, when upgrading urban drainage systems, we need to give high priority to retaining rainwater, and to making greater use of natural forces to drain off water so as to make “sponge cities” in which rainwater naturally accumulates, penetrates and purifies. Many cities call themselves eco-cities, but their thinking is restricted to transplanting big trees to city streets, excavating mountains to create land for development, building artificial landscapes, and reclaiming land from lakes and the sea. This is not building eco-friendly cities but destroying the natural environment.

—Excerpts from a speech at the Central Urbanization Work Conference, December 12, 2013

Reducing $PM_{2.5}$ emissions is our top priority in dealing with smog and improving air quality. For now we cannot reduce $PM_{2.5}$ emissions nationwide to meet international standards because this level of control is beyond our ability at the current stage of development; nevertheless we need to note that this issue has raised great concern among officials and the people and also the international community, and we must address it. We need to respond to the people’s concerns. Smog used to be a problem in parts of developed countries, including the Ruhr region of Germany, London, Paris and Lyon, and even New York

City and Los Angeles. Beijing is doing everything possible to control air pollution. It has formulated the Beijing Clean Air Action Plan (2013-2017), which sets forth a number of major measures such as reducing coal use, restricting trips made by car, adjusting the industrial mix, strengthening management, coordinating prevention and control efforts, and improving legislation on air pollution. The key now is to channel our energy into implementing these measures and make constant progress.

...

We need to adhere to the principles of placing equal emphasis on addressing both the root causes and the symptoms of pollution and on launching targeted campaigns; of coordinating regular improvement work with emergency emissions reductions; and of getting local pollution control and regional cooperation to reinforce each other. We need to carry out multiple measures at the same time; coordinate the efforts of different regions; get the whole of society to act together; focus on controlling pollution from the four major areas, namely, the use of coal, motor vehicles, industrial production, and windborne dust; and implement a variety of measures to cut coal use, limit the number of vehicles on the road and restrict gasoline consumption, reduce pollutant discharge, and reduce airborne dust. We need to establish monitoring and early-warning mechanisms for atmospheric environment carrying capacity and set a red line for it, and be quick off the mark in issuing warnings when the level of air pollution approaches this red line. We need to strictly implement

the air quality index system, strengthen oversight of environmental law enforcement, and genuinely hold polluters accountable.

—Excerpts from a speech given at the end of a visit to Beijing, February 26, 2014

X

**BUILDING A MODERN SYSTEM
OF MILITARY STRENGTH
WITH CHINESE
CHARACTERISTICS**

Reform and innovation give powerful impetus to the development of our armed forces. In order to keep making headway in the development of the armed forces built under the leadership of chairmen Mao Zedong, Deng Xiaoping, Jiang Zemin, and Hu Jintao, we must constantly reform and innovate. The military is the sector where competition and confrontation are most intense, but it is also where innovation is most dynamic and most needed. We must seize the historical opportunity presented by the vibrant global revolution in science and technology, industry and military affairs to further carry out military reform with Chinese characteristics, with the focus on becoming able to fight and win any war. We must make our armed forces into a mighty force that is ready to report for duty at a moment's notice, is combat-ready, and is able to win, and we must strive to make sure that they have the upper hand in competition with other militaries. We need to emancipate our minds, seek truth from facts, progress with the times, and be realistic and pragmatic. We need to update our ways of thinking and our ideas about military affairs, inject a spirit of reform and innovation into every aspect of our work, pick up the pace of reform in important areas, and strive to resolve prominent problems and difficulties affecting the well-planned development of the armed forces. We need to respect praxis, respect the pioneering spirit of our officers and enlisted personnel, learn from the praxis of military development and identify general principles in practice, and become better able to guide the work of the military. In the context of a complex and often changing security situation, wherein there are

many unexpected events to deal with and many major tasks to accomplish, the Central Military Commission also has to make innovations in the way it functions. It needs to improve its deliberative and decision-making mechanisms and work mechanisms to ensure that its work is both responsive and effective.

—Excerpt from a speech at an executive meeting of the Central Military Commission, November 15, 2012

Achieving the great rejuvenation of the Chinese nation has been the greatest dream of the Chinese people since modern times began. I want to say that this great dream is a dream of having a powerful country, and for the military it is a dream of having strong armed forces. Therefore, to achieve the great rejuvenation of the Chinese nation, we must both enrich the country and strengthen the armed forces, and continue striving to build a solid national defense and a powerful military. Here, I would like to demand three things from you:

First, keep in mind that resolutely following the Party's commands is vital for strengthening the military. You must unwaveringly uphold the absolute leadership of the Party, obey its absolute commands, and always listen to and follow it.

Second, keep in mind that being able to fight and win wars is the essence of strengthening the military. We

must build the armed forces and improve their military preparedness to make them better able to fight wars, and ensure that they come forth when called, are ready to fight, and fight to win.

Third, keep in mind that running the armed forces with strict discipline and in accordance with the law is the foundation for strengthening the military. You must maintain strict conduct, have iron discipline, and ensure that the armed forces are highly centralized and unified and are secure and stable.

—Excerpt from an impromptu speech given after posing for a group photo with Guangzhou-based officers at or above the divisional level, December 10, 2012

We will fully implement the policy of running the armed forces with strict discipline and in accordance with the law. What is most valued and also most difficult about running the armed forces is running them strictly. In recent years, the Central Military Commission has always attached great importance to running the armed forces strictly and has adopted effective measures for doing so, but varying degrees of laxity and softness still persist in some military units and agencies, and are rather serious in some places. Once a military unit becomes lax or soft, it can easily disintegrate and will then face endless problems. We need to thoroughly study and develop a firm understanding of the characteristics

and general principles for running the armed forces and commanding troops in the new circumstances; genuinely implement the policy of running the armed forces with strict discipline and in accordance with the law in every aspect and stage of building the armed forces; and always keep their combat preparations, training, work, and life in good order. We need to strengthen implementation of the legal system, forcefully implement rules and regulations, and resolutely put an end to laws not being followed, enforcement not being strict and violations going unpunished. We need to make strengthening discipline a core component of building the armed forces, improve the readiness of officers and enlisted personnel to obey orders, and cultivate best practices in the armed forces of strictly observing discipline, strictly following orders and prohibitions, and being united in action.

—Excerpt from a speech made after being briefed on the work of the Guangzhou Military Area Command, December 10, 2012

We need to work hard to build a people's army that faithfully follows the Party's orders, is capable of securing victories, and has excellent conduct. This is the Party's goal for strengthening the armed forces in the new situation. It was adopted based on a review of the Party's successful experience in building and running the armed forces in order to adapt to developments and changes in

the international strategic situation and our own national security environment, and to resolve prominent problems and difficulties in army building. This goal clarifies the key priorities of strengthening army building. It takes following the Party's orders as the inherent nature of the armed forces, which sets the political orientation of army building. It is centered on being capable of winning battles, which reflects the fundamental function of the armed forces and the fundamental direction of army building. It views excellent conduct as a guarantee in ensuring that the armed forces have the right nature, purpose and character. These three points are interrelated and inseparable. They are in keeping with the guiding thought and the principles that have always been followed in building and running the armed forces, and are consistent with the thinking on comprehensively building the armed forces so that they are more revolutionary, modern, and standardized. All our armed forces need to correctly grasp this goal; use it to guide army building, reform, and military preparedness; and strive to elevate the development of national defense and the armed forces to a new level.

—Excerpt from a speech at a plenary meeting of the PLA delegation to the First Session of the 12th National People's Congress, March 11, 2013

Deepening adjustment and reform of the policies and systems relating to officers is an important component of

deepening reform of the armed forces. We need to conduct in-depth discussions, strengthen theoretical research and top-level design, make reforms more systemic, work out a roadmap for reform, and make sure that we do not carry out fragmentary reforms or chop and change our policies. We need to create well-designed development paths for cultivating different types of talent and strive to make breakthroughs in important areas, with the focus on establishing a Chinese-style system of professionalism for officers and addressing key issues such as the systems of military service, differentiated management and qualifications for positions. We need to strengthen laws and regulations, and make the work relating to officers and the work of building their ranks more standardized and law-based.

—Excerpt from a speech at an executive meeting of the Central Military Commission, June 28, 2013

The key to breaking new ground and being innovative is to emancipate our minds. If we fail in this, we cannot keep moving forward. We cannot enter the 21st century if our thinking is still stuck in the 20th. We need to have the courage to overcome obstacles in our way of thinking and the way we see things, break down the barriers constructed by vested interests, and use new ideas, new perspectives, new methods and new standards to improve military preparedness and develop other aspects of the armed forces.

—Excerpt from a speech at an intra-Party meeting of the Central Military Commission, July 8, 2013

This is the first time in the history of the Party that the resolution of a plenary session of its Central Committee devotes a separate section to reform of national defense and the armed forces. This is a strong reflection of the great importance the Party Central Committee attaches to deepening the reform of national defense and the armed forces. We need to fully understand the importance and urgency of deepening this reform; develop an accurate understanding of its goals and tasks; and become keenly aware of the need to make progress, exploit opportunities and take responsibility. We need to have the courage to break free of the shackles of outmoded ways of thinking and ideas and break down the barriers of entrenched interests, strive to solve the prominent problems and difficulties that inhibit the development of national defense and our armed forces, and provide powerful impetus and institutional guarantees for achieving the goal of strengthening the armed forces.

...

Deepening reform of our armed forces in military area commands has to be considered against the background of transforming the army. In the information age, the position and role of the army in warfare, the means of building up ground forces and the way they are used have all undergone profound changes. We not only need to dismiss the kind of thinking that views land warfare as being outdated and

an army as being of no use, but we also need to abandon the “big army” mentality. Instead, we need to develop a clear conception of the mission and tasks of the army within the new context of today, correctly identify its place in the system of joint operations, and quickly transform the army from a mechanized force to an information enabled force. The Central Military Commission needs to strengthen research on reform of the army’s leadership and management systems, and make overall planning and provide effective guidance for the transformation of the army.

...

In transforming the army, we must give it IT wings. We need to place special emphasis on developing integrated information systems, implement a unified framework, and install a practical and easy-to-use information system that can be employed by all branches of our armed forces.

...

The armed forces of each military area command must possess a variety of capabilities and extensive operational adaptability. This requires us to define types of military units in an appropriate manner and adopt a methodological approach to determining the composition of forces so that the armed forces develop into a strong, integrated and flexible force with multiple capabilities. Under the current military system, battalions are the basic combat units and play a more important role than before. We need to ensure that they have all the resources they need for operations, and adopt a modular approach to their organization so that they can better incorporate different arms.

—Excerpts from a speech given after being briefed on the work of the Jinan Military Area Command, November 28, 2013

At present, all the world's major countries are accelerating their own military revolutions, and international competition to attain a position of military dominance is intensifying. In the tsunami of this new international revolution in military affairs, anyone whose thinking is too conservative or who continues with the old way of doing things will miss a valuable opportunity and fall into a passive position strategically. We have to face challenges head on. If we were to fall behind militarily, the impact on our country's security would be fatal. I frequently read modern Chinese history, and it pains me greatly when it comes to the immense suffering our country and people endured after we fell behind.

...

“Law changes with the times and rites change as customs evolve.” In recent years, we have been actively carrying out military reform with Chinese characteristics. We have adopted a series of measures to adjust and reform the organization and staffing of military units and their policies and systems. However, deeply rooted problems and difficulties have not been resolved. For instance, our command and management system is not sufficiently scientific; the command system for combined combat operations needs improvement; the structure of our forces

is in need of readjustment; and reform of policies and systems lags behind. These problems fundamentally impede the development of the armed forces and hinder military preparedness. This is something we all seem to feel the same way about, and we all understand that without reform we would be unable to fight, and fight to win.

...

Reform of national defense and the armed forces has reached a critical stage and entered a deep-water zone, and most of the work that remains to be done involves dealing with institutional obstacles, structural problems and policy issues that have accumulated over time. It will be very difficult to move forward. The more difficult the reform, the more important it is to strengthen our will and press ahead; we cannot be overcautious, constantly looking over our shoulder afraid of our own shadow. Whether something is easy or difficult is a relative matter. "Are there certain things in life that are hard to do and others that are easy? If you do something that's hard it will become easy, and if you don't do something that's easy, it will become hard." If the whole armed forces unite with a common purpose and are ready to tackle tough problems and face dangers, there will be no difficulty we cannot overcome.

...

The whole Party and the entire country closely follow and strongly support reform of national defense and the armed forces, and the armed forces from top to bottom have high hopes for reform and strongly voice their support for it. This creates favorable conditions for carrying it out.

Through many years of practical explorations, we have deepened our understanding of the way reform works, and consensus has been reached on a number of major reforms. We have in front of us a rare window of opportunity for reform of our national defense and the armed forces and we must make the most of it. This is a major test we cannot avoid, and the armed forces must achieve results to the satisfaction of the Party, the people and history.

...

We need to have an accurate understanding of the goals and guiding principles of reform of national defense and the armed forces. This round of reforms is aimed at solving the serious problems and difficulties impeding the strengthening of national defense and the armed forces and building a modern system of military strength with Chinese characteristics. We need to pick up the pace of reform of major areas, further unfetter and develop our combat capability, further unleash and bolster the vitality of the armed forces, and provide institutional and policy guarantees for achieving the goal of strengthening the armed forces. We need to use combat capability as the criterion for measuring and testing the effectiveness of reforms, make sure all reform measures conform to the guidelines and requirements of military strategy, and make reform planning and implementation more scientific.

...

Reform of national defense and the armed forces is a systemic project, and we must strengthen overall planning. We need to tenaciously grapple with reform tasks that affect

the situation as a whole, and use breakthroughs made there to make headway across the board. At the same time, we need to approach this like playing the piano, drawing on this as our model for handling the interconnectedness and coordination between all reform tasks. We need to avoid giving too much weight to some matters and too little to others, focusing on one thing to the detriment of everything else, and letting everyone do things their own way and impede each other. We need to properly balance reform, development and stability; act courageously and progress steadily; master the rhythm of reform; control the risks of reform; carry out reform energetically and methodically; ensure that the armed forces have high levels of stability, cohesion and unity; and ensure that they are capable of fulfilling all their duties at all times.

...

To deepen reform of national defense and the armed forces, we must adhere to the correct political orientation. The Party's absolute leadership over the armed forces is an important part of our country's basic military system and the socialist political system with Chinese characteristics. Serving the people wholeheartedly is the fundamental purpose of our armed forces. No matter what changes occur, these principles will never change.

...

We need to keep improving the leadership and command system as our focus. Improving the joint operations command system is a top priority. Modern warfare requires a highly effective command system. We have made

considerable explorations for establishing a joint operations command system, but have not fundamentally solved the problem. Without a good joint operations command system, we would be unable to carry out effective reform of joint training and joint logistics systems. We need to establish a sound joint operations command structure under the Central Military Commission and a theater joint operations command system. This must be done now and cannot be delayed.

...

We need to improve structure and functions. Structure and functions form a dialectical unity. Structure determines functions and functions react to structure. Structure needs to help bring out the overall combat effectiveness of the armed forces, and function needs to give impetus to structural adjustments. Our armed forces are too large. The ratios between different services, between officers and enlisted personnel, between military units and administrative bodies, and between troops and military academies are all out of proportion. Some problems are still quite serious. For example, there are too many non-combat bodies and personnel, while combat units are undermanned; too much of our equipment is outmoded; and too few of our combat forces are modern. We must improve the size and structure of the armed forces, make the armed forces leaner with more elite troops, and base troop levels on careful research. We need to focus on creating more modern combat forces, set a deadline for phasing out outmoded equipment, and make room for new types of combat forces.

...

We need to deepen reform of military policies and systems. Policies and systems relating to military human resources are an important part of this reform and affect the core interests of officers and enlisted personnel. We have adopted a lot of measures in this regard. However, for various reasons, the systems for evaluating, selecting, appointing, and training officers are still inadequate, and we still face difficulties in recruiting soldiers, resettling demobilized soldiers, and placing wounded and disabled soldiers in civilian positions. To adapt to changes in the functional tasks of the armed forces and make innovations in the country's policies and systems, we need to increase the intensity of reform in this area, and build a new military personnel training system based on military academy education, troop training and exercises, and military career education, in order to put military human resources to good use and attract and bring together more talented people.

...

Another important aspect of reform of the policies and systems of the armed forces is how to effectively manage and use financial and material resources and get more value for military spending. The key is reform of budget management and the auditing system. We need to adhere to the principle of demand-driven planning and planned resource allocation. We need to allocate and make use of military funds more scientifically, and make absolutely sure that we don't waste any state funds.

We need to deepen the integration of military and civilian sectors. The arrangements the 18th CPC Central Committee made in this regard at its third plenary session cover defense-related science and technology industries, weapons and equipment, personnel training, outsourcing military logistics support to the civilian sectors, and national defense mobilization. We need to strengthen planning and coordination at the national level, get military demand to play a leading role, and better incorporate the development of national defense and the armed forces into China's economic and social development system.

—Excerpts from a speech at a meeting on December 27, 2013

To achieve the goal of strengthening the armed forces, we must courageously shoulder the historic responsibility of our generation of revolutionary soldiers. In the face of new circumstances and tasks, we must race against time to modernize national defense and the armed forces. We wish for peace, but at no time and under no circumstances can we fail to safeguard our country's legitimate interests or sacrifice our country's core interests. At present, the historic responsibility of strengthening the armed forces falls on our shoulders. To shoulder this task, we must have the courage to assume responsibility. This is what the Party and the people expect of us, and it is the kind of political character contemporary revolutionary soldiers should possess. Party

committees and officers at all levels should view leading troops in achieving the goal of strengthening the armed forces as a major political responsibility, should always keep this goal in mind and work hard to become more capable of achieving it. All officers and enlisted personnel need to willingly practice the core values of socialism and of contemporary revolutionary soldiers. They must have firm convictions, be devoted to their mission, and strive to leave the mark of their lives in the military on the pages of history that recount the journey to strengthen and revitalize the armed forces.

...

To achieve the goal of strengthening the armed forces, we must grasp the strategic opportunity to deepen reform of national defense and the armed forces, eliminate institutional obstacles and resolve structural problems and policy issues that impede their development, and thoroughly modernize the organizational structure of the armed forces. We need to adhere to the correct political orientation of reform, satisfy the requirement of being able to fight and win any war, take making innovations in military strategy as our guide, further emancipate our minds and update our thinking, further unfetter and develop our combat capability, and provide institutions, mechanisms, policies and systems that guarantee we achieve our goal of strengthening the armed forces. We need to break free from traditional mindsets, and adopt thinking and ideas suited to achieving this goal. We must orientate ourselves toward solving problems, keep combat capability as our standard of success, and thoroughly

research the characteristics and general principles of modern warfare and the mechanisms for winning wars. We need to concentrate on the major difficulties and problems keeping us from strengthening our combat capability, get the breakthroughs we make in key areas to lead overall progress, unleash the dynamism of all factors contributing to combat effectiveness, and make the best use of every source of energy we can draw upon to modernize the armed forces. We need to be clear of our purpose when guiding people in their thinking; create a favorable atmosphere for reform; draw together positive energy of reform; ensure that the armed forces maintain a high level of stability, cohesion and unity; and ensure that reform progresses smoothly and all tasks are completed successfully.

...

To achieve the goal of strengthening the armed forces, we must work together to accomplish the important task of deepening military-civilian integration. We need to have the state play the leading role while also having the market play its role, and strive to effectively deepen all elements of military-civilian integration in multiple areas. The armed forces need to abide by defense-related economic principles and the general principles for building combat capability under the conditions of information-based warfare, and willingly integrate the development of national defense and the armed forces into China's system of economic and social development. Localities need to emphasize incorporating national defense needs into economic development, and consciously integrate adjustment of the

layout of the economy with improvement of the national defense layout. We need to encourage government agencies and the people to support the military and give preferential treatment to families of service personnel and those who have given their lives for our country, and urge the military to support the government and respect civilians in the new era. We need to strengthen national defense education and improve institutions and mechanisms for national defense mobilization. Party committees and governments at all levels need to support the development and reform of the armed forces, coordinate with them in completing their many duties, and provide effective guarantees for achieving the goal of strengthening the armed forces.

—Excerpts from a speech at a plenary meeting of the PLA delegation to the Second Session of the 12th National People's Congress, March 11, 2014, published in the People's Daily on March 12, 2014

To deepen reform of national defense and the armed forces, we need to align our thinking and action with the policy decisions and arrangements of the Party Central Committee and the Central Military Commission, review reform in light of the goal of strengthening the armed forces, use this goal to guide reform, and stay centered on it in carrying out reform.

Reform of national defense and the armed forces is an important component of overall reform and also an important part of our efforts to comprehensively deepen reform. The Central Military Commission attaches great importance to the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and is putting a great deal of effort into implementing them. All its departments at all levels are acting quickly on them, and the whole armed forces from top to bottom have created a strong climate of support for reform. We need to make plans on the basis of actual circumstances, act when the situation is advantageous, work tirelessly to implement plans, and ensure that reform of national defense and the armed forces gets off to a good start. We need to continue to strengthen education and guidance work to get the entire armed forces to understand the strategic importance of this reform from the perspective of the overall situation and from a higher strategic level, align their thinking and action with the policy decisions and arrangements of the Party Central Committee and the Central Military Commission, and form a powerful synergy for deepening reform of national defense and the armed forces.

....

We need to keep the goal of strengthening the armed forces in mind and correctly grasp the guiding principles for deepening reform of national defense and the armed forces. We need to firmly grasp the basic requirement of adhering to the correct orientation of reform. Deepening reform of national defense and the armed forces means improving

and developing the socialist system of military affairs with Chinese characteristics through our own efforts in order to make better use of the advantages of the socialist military system with Chinese characteristics. Reform is aimed at better upholding the Party's absolute leadership over the armed forces, better sustaining the armed forces' nature and purpose as a people's military, and better preserving our armed forces' honorable traditions and good conduct. We need to firmly grasp the central point of being able to fight and win any war. We need to always give primacy to improving our military preparedness, orientate ourselves toward solving problems, and direct the main thrust of reform at major and difficult problems concerning strengthening our military preparedness and at weak links in our combat capabilities. We need to be firmly oriented toward modernizing the armed forces' organizational structure. If we do not modernize this structure, then we will not have a modern national defense and military. We need to thoroughly carry out reform of the leadership and command system, the structure of the armed forces, and policies and systems in order to provide effective institutional support for solidifying national defense and strengthening the armed forces. We need to firmly grasp the requirement of proceeding in a vigorous yet prudent manner. When something needs to be reformed, we should act promptly, boldly, and firmly to reform it. At the same time, we must be aware that a single major reform measure may affect reform as a whole, so we must proceed with the utmost of caution. Prior to the introduction of reform

measures we must repeatedly debate them and evaluate their effectiveness scientifically.

—Excerpts from a speech at the inaugural meeting of the Central Military Commission's Leading Group for Deepening Reform of National Defense and the Armed Forces, March 15, 2014, published in the People's Daily on March 16, 2014

XI

**IMPLEMENTING A MORE
PROACTIVE STRATEGY
FOR OPENING UP AND
IMPROVING THE OPEN
ECONOMIC SYSTEM TO MAKE
IT MUTUALLY BENEFICIAL,
DIVERSIFIED,
BALANCED, SAFE, AND
EFFICIENT**

Our cause is the cause of win-win cooperation with all countries. The international community is increasingly becoming a community with a common future in which all countries are inseparable from one another. In the face of a complicated world economic situation and global problems, no country can thrive while the rest of the world does not. Countries must help each other and pull together toward a common cause, pursue their own interests while considering other countries' legitimate interests, advance their own development while promoting the common development of all others, establish new global development partnerships that are more equitable and balanced, advance the common interests of humankind, and work together to make our planet a better place to live in.

—Excerpt from a speech at a symposium for foreign experts working in China, December 5, 2012, published in the People's Daily on December 6, 2012

World prosperity and stability present an opportunity for China, and China's development is an opportunity for the world. Whether or not China can develop peacefully, largely depends on whether it can seize the opportunities presented to it by the world, share its opportunities with the world, and press ahead ensuring that China and the world draw on each other's strengths for everyone's benefit. We must always start out from China's realities and stick firmly to our own path. At the same time, we need to have a global

perspective, better integrate domestic development with opening to the outside world, link China's development with the world's development, integrate the Chinese people's interests with the common interests of all peoples, expand mutually beneficial cooperation with other countries, take a more active part in international affairs, work with other countries to meet global challenges and contribute to global development.

—Excerpt from a speech at the third group study session of the Political Bureau of the 18th CPC Central Committee, January 28, 2013, published in the People's Daily on January 30, 2013

China's doors are open to the outside world, and we will not shut them. Over the past decade, China has fulfilled all the commitments it made for membership of the World Trade Organization, and has made its business environment more open and standardized. China will improve its open economy on a broader scale, in more areas and at a deeper level. China's doors will remain open to international investors, and we hope the doors of foreign countries will open wider to Chinese investors. We are firmly opposed to protectionism in all its manifestations, and we are willing to properly resolve business disputes with our trading partners through negotiation, and work energetically to promote the establishment of a balanced multilateral economic and trade system that emphasizes development and win-win results.

—Excerpt from a speech at a symposium for Chinese and foreign entrepreneurs attending the Boao Forum for Asia Annual Conference 2013, April 8, 2013, published in the People's Daily on April 9, 2013

We need to work together to maintain and advance an open world economy. As the saying goes, “A single bud blossoming does not make a spring, but a hundred buds bursting into bloom bring spring to a garden.” If the world’s economies open up to each other, we will progress together; but if they are isolated from each other, we will all regress. We must go with the current of the times, oppose protectionism in all its manifestations, and make full use of international and domestic markets and resources.

...

China will adhere to a mutually beneficial strategy of opening up, deepen structural reform of investment and trade, improve laws and regulations, create a legal environment in which foreign companies in China can do business on a level playing field, and resolve trade disputes with other countries through negotiation.

—Excerpts from “Jointly Maintaining and Advancing an Open World Economy,” a speech on the world economic situation given at the first session of the G20 Leaders Summit, September 5, 2013, published in the People's Daily on September 6, 2013

To forge closer economic ties, deepen cooperation and expand development space in Eurasia, we should take an innovative approach to cooperation and work together to build a Silk Road Economic Belt. This will be a great undertaking that benefits the people of all countries along the belt.

...

There are almost three billion people living in the countries along the proposed Silk Road Economic Belt, so the size and potential of its market is unmatched. The potential for trade and investment cooperation among these countries is enormous. All parties should explore ways and make proper arrangements to facilitate trade and investment, remove trade barriers, reduce trade and investment costs, increase the speed and improve the quality of the circular flow of the regional economy, and work to achieve win-win results.

—Excerpts from the speech “Promoting Friendship Between Our Peoples and Working Together to Build a Bright Future,” at Nazarbayev University, Kazakhstan, September 7, 2013, published in the People’s Daily on September 8, 2013

Since ancient times, Southeast Asia has been an important hub for the Maritime Silk Road. China is willing to strengthen maritime cooperation with member countries of the ASEAN, make good use of the China-ASEAN Maritime

Cooperation Fund set up by the Chinese government, develop good maritime partnerships with member countries and work with them to jointly build the 21st Century Maritime Silk Road. China is willing to expand its pragmatic cooperation with them in all areas so that we can meet each other's needs and complement each other's strengths, and is willing to share opportunities and meet challenges with them to achieve common development and prosperity.

—Excerpt from the speech “Building a China-ASEAN Community with a Common Future,” to the Indonesian Parliament, October 3, 2013, published in the People’s Daily on October 4, 2013

We need to look ahead to the future, urge members of the Asia-Pacific Economic Cooperation (APEC) to deepen economic structural adjustments, and give stronger impetus to the sustained development of the Asia-Pacific. There is a saying that people who do not possess foresight certainly meet with difficulties. While addressing problems at hand, it is also necessary to plan for the future. The key to achieving long-term development lies in reform and innovation. We need to transform the growth model; make economic structural adjustment; carry forward reform and innovation; and unleash the potential of domestic demand, the power of innovation and the vitality of the market, so as to provide internal impetus for sustained and sound economic development. Reform is never smooth sailing,

so both developed and developing APEC members should be prepared to bear the necessary costs. The inherent difficulties of reform call for extraordinary courage, and only the most dedicated of efforts will be of true value.

—Excerpt from “Give Full Play to the Leading Role of the Asia-Pacific in Maintaining and Advancing an Open World Economy,” a speech on the global economic situation and the multilateral trading system given at the first session of the APEC Leaders Meeting, October 7, 2013, published in the People’s Daily on October 8, 2013

We will implement a more proactive strategy of opening up; improve the open economy to make it mutually beneficial, diversified, balanced, safe and effective; encourage coastal, inland and border areas to draw on each other’s strengths in opening up; form open areas that take the lead in global economic cooperation and competition; and cultivate key areas of opening up that drive regional development. We will continue to attach equal importance to exports and imports and promote the balanced development of foreign trade. We will enhance international investment cooperation and lay equal stress on attracting foreign investment and going global. We will deepen structural reform of investment and trade and improve laws and regulations to create a more favorable legal environment that is fair to all foreign companies operating in China. We will coordinate

bilateral, multilateral, regional and sub-regional opening up and cooperation; accelerate the implementation of the free trade area strategy; and promote interconnectedness and intercommunication with neighboring countries.

...

China is committed to building a trans-Pacific regional framework for cooperation to benefit all. The reason the Pacific Ocean is so vast is that it has no natural barriers, and man-made ones should not be created. It is China's desire to have the APEC play a leading and coordinating role in the Asia-Pacific, and we will uphold open, inclusive and mutually beneficial thinking. We will strengthen macroeconomic policy coordination and promote coordination of regional free trade arrangements, deepen the process of regional integration, and prevent the emergence of the "spaghetti bowl effect" in order to build closer partnerships across the Pacific Ocean and jointly pursue long-term development of the Asia Pacific.

—Excerpts from the speech "Deepen Reform and Opening Up and Work Together for a Better Asia-Pacific," at the APEC CEO Summit, October 7, 2013, published in the People's Daily on October 8, 2013

We will strive for greater mutual benefits. We need to make overall planning for economic, trade, scientific and technological, and financial resources; make good use of

our comparative advantages; identify strategic areas of common interest where we can deepen mutually beneficial cooperation with neighboring countries; and actively participate in regional economic cooperation. We need to work together with relevant countries to accelerate infrastructural interconnectivity and build the Silk Road Economic Belt and the 21st Century Maritime Silk Road. We need to accelerate the implementation of the free trade area strategy based on our experience with neighboring countries, expand trade and investment cooperation, and create a new pattern of regional economic integration. We need to deepen regional financial cooperation, work energetically to prepare for the founding of an Asian Infrastructure Investment Bank, and improve the region's financial safety network. We need to open up our border areas more quickly and deepen mutually beneficial cooperation of our border provinces and autonomous regions with neighboring countries.

—Excerpt from a speech at a symposium on diplomatic work with neighboring countries, October 24, 2013, published in the People's Daily on October 26, 2013

To maintain macroeconomic stability and transform our growth model, we need to pick up the pace of going global. The international market offers boundless opportunities. And while “the vast sky lets birds fly freely and the immense

sea allows fish to leap at liberty,” we must have a plan and understand the situation so that we do not advance aimlessly or create any major problems for ourselves. The government needs to strengthen macro-level guidance and services, research the scale of global investment demand and the sectors and countries where such investment is needed, provide accurate information, and simplify the approval procedures for investing overseas.

...

The decision to build the Silk Road Economic Belt and the 21st Century Maritime Silk Road was a major strategic decision made by the Party Central Committee on the basis of its overall assessment of the country's political, diplomatic, economic and social development. It is an important measure for implementing a new round of opening up and for creating a favorable neighboring environment. Figuratively speaking, the belt and the road will give our roc a pair of stronger wings that will enable it to fly higher and farther. We made this promise to the international community, and we must keep our word.

...

To make a good job of our economic diplomacy, we must give high priority to making the most of our comparative advantages and be adept at exploiting our strengths and compensating for our weaknesses in international competition. China has abundant labor resources and a huge market, as well as more than US\$3 trillion in foreign exchange reserves, all of which work to our advantage. At the same time, our country has a large

population with little arable land, acute shortages of energy and natural resources, and a deteriorating environment. These factors require us to make greater use of international resources. At present we have surplus production capacity, and we need to shift it abroad and rely on the international market to absorb it. The key is to clearly identify our strengths and weaknesses, and on that basis improve our plans, formulate good policies, and set up business cooperation platforms conducive to making use of our strengths, so that our strengths can make up for others' weaknesses, and their strengths make up for our weaknesses. As we are now completely open to the outside world, it is not up to us alone to decide that we can make the most of our advantages and use others' strengths to make up for our weaknesses. We need to promote the formation of a fairer and more equitable system of global governance, participate fully in new international trade talks and the formulation of new rules, promote the institutional arrangements for liberalizing investment and trade, and make full use of our people's manufacturing and business skills.

—Excerpts from a speech at the Central Economic Work Conference, December 10, 2013

Establishing pilot free trade areas is an important measure initiated by the Party Central Committee for driving forward reform and opening up in the new era. We must develop a firm understanding of prevailing

international investment and trade rules and accelerate the formation of a basic institutional system and a regulatory approach that link up with these rules to ensure that the market fully plays the decisive role in allocating resources, and that the government plays a better role. We need to boldly forge ahead and try new things, deciding for ourselves what needs to be changed; quickly form new systems that can be replicated and spread; and quickly produce useful results of trials now underway to make investment and trade more convenient, make regulation more effective, and make the legal environment more standardized. We need to further open up our service sector, bring in advanced international experience, and improve our services and our capacity for providing them. We will carry out stress tests in pilot free trade zones, manage all possible risks, and effectively guard against systemic risks, especially in the financial sector.

—Excerpt from a speech to the Shanghai delegation during the Second Session of the 12th National People's Congress, March 5, 2014, published in the People's Daily on March 6, 2014

China and the EU both need to keep our markets open to each other, accelerate negotiations on investment agreements, actively explore ways to create a free trade area, and also strive to achieve the grand goal of raising bilateral trade volume to \$1 trillion by 2020. We should also actively

explore how to get China-EU cooperation to dovetail with the development of the Silk Road Economic Belt to create a larger Eurasian market; energize the people, businesses, capital and technologies of Asia and Europe; and make China and the EU twin engines of world economic growth.

—Excerpt from a speech at the College of Europe in Bruges, Belgium, April 1, 2014, published in the People's Daily on April 2, 2014

XII

**PROVIDING EFFECTIVE
LEADERSHIP IN THE UPHILL
STRUGGLE OF
COMPREHENSIVELY
DEEPENING REFORM**

Reform and opening up is an undertaking that belongs to our country's hundreds of millions of people, and we must maintain respect for their creativity and carry out this policy under the Party's leadership. Reform and opening up is both needed by the people and advocated by the Party. The people are the creators of history and the practitioners of the cause of reform and opening up. This means we must remain resolute in upholding the unity of this position of the people and the leadership of the Party, and rely closely on the people in carrying out reform and opening up. Every breakthrough and development in the understanding and practice of reform and opening up, the emergence and development of every new product of reform and opening up, and the creation and accumulation of experience in every aspect of reform and opening up all come from the praxis and wisdom of our people. The more onerous the tasks of carrying out reform and development while ensuring stability, the more important it is that we strengthen and improve the Party's leadership and maintain the Party's close bond with the people. We need to do better in laying out and implementing the right course of action, principles and policies for leading the people forward; improve the Party's policies on the basis of people's innovative practice and development needs; and make sure that more of the fruits of reform and development are spread more equitably to all our people, so that we can constantly strengthen popular support for deepening reform and opening up.

—Excerpt from a speech at the second group study session of the Political Bureau of the 18th CPC Central Committee, December 31, 2012

Comprehensively deepening reform is a complicated systemic endeavor that is most likely beyond the power of one or a few departments. Therefore, higher-level leadership is needed.

The resolution of this session proposes that the Central Committee sets up a leading group for comprehensively deepening reform, which should be responsible for the integrated design, overall coordination and all-round advancement of reform measures, as well as supervision of their implementation. This is intended to make better use of the Party's core leadership role in exercising overall leadership and coordinating everyone's efforts to ensure that reform moves forward smoothly and that the tasks of reform are implemented as planned. The main responsibilities of this leading group should be to plan major national reforms, coordinate progress of reforms in all areas, get all forces to work together for reform, strengthen oversight and inspection, and promote thorough implementation of reform objectives and tasks.

...

Some ways of thinking that hamper the deepening of reform often do not come from outside the system but from within it. If we do not emancipate our minds, it will be difficult for us to locate where interests become entrenched,

identify a point for making a breakthrough and focusing our efforts, and come up with creative reform measures. Therefore, we must have the courage and vision to innovate. We must think outside the box, overcome the constraints of departmental interests, and proactively carry out research and work out measures of reform.

...

Comprehensively deepening reform is a major strategic plan that affects the development of the cause of the Party and the country; it is not a reform of one area only. Anyone who is unable to make comprehensive plans does not have what it takes to make plans in a limited area either. We come from different government departments and organizations, but we must look at things from an overall perspective. We must, first of all, judge whether the major reform measures listed in this resolution meet the needs of the overall situation and whether they are conducive to the long-term development of the cause of the Party and the country. We must genuinely look ahead, think beyond the present, and proactively draw up plans. This is the only way we can truly achieve a resolution that meets the requirement for developing the cause of the Party and the people.

—Excerpts from the speech “Explanation on the Resolution of the CPC Central Committee on Certain Major Issues Concerning Comprehensively Deepening Reform,” November 9, 2013, published in the People’s Daily on November 16, 2013

What we want to do is safeguard and develop the interests of China and the Chinese people, and to uphold and consolidate the Party's governing foundation and governing position. The whole Party must have a strong enterprising spirit, fight hard to win the battle to comprehensively deepen reform, and strive to open up broader prospects for developing socialism with Chinese characteristics.

A strong enterprising spirit comes from confidence. The root of our confidence lies in our complete adherence to the Party's basic line of "one central task, two basic points"; the line, principles and policies adopted since the Third Plenary Session of the 11th CPC Central Committee; and socialism with Chinese characteristics. So long as the Political Bureau of the Central Committee, the Central Committee, the whole Party and the people of all China's ethnic groups remain fully confident, then no matter what hardships, difficulties, or challenges we encounter, we will be able to resolutely deepen reform and opening up.

...

After 35 years of constant reform, many of our easier problems have been effectively resolved; what we are left to deal with now are mostly tough ones, and there are even certain sensitive issues and major problems to be dealt with that affect the situation as a whole. The responsibility of our generation is to keep resolving the problems we come across on the road ahead.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

We must rely heavily on the people in carrying out reform. The people are the creators of history and the source of our strength. The most fundamental reason the people wholeheartedly support and actively participate in reform and opening up is that from the very beginning we have deeply rooted it among them. The resolution made at the Third Plenary Session of the 18th CPC Central Committee incorporates valuable experience accumulated through reform and opening up. A very important lesson derived from this is to stress the necessity of always putting the people first, respecting their principal position, giving free rein to their creativity, and relying heavily on them in carrying out reform. No reform can possibly succeed without the people's support and participation. As long as we have the people's support and participation, we can overcome any difficulties and challenges we may encounter.

—Excerpt from the speech "Conscientiously Aligning Our Thinking with the Guiding Principles of the Third Plenary Session of the 18th CPC Central Committee," November 12, 2013, published in the journal Qiushi, No. 1, 2014

All Party members; especially officials at all levels, need to have the courage and vision to pursue change. They should think outside the box; correctly handle the relationships between the central and local governments, between the whole and the parts, and between long-term and immediate interests; correctly adjust the pattern of interests; and resolutely overcome the constraints of local and departmental interests. As long as change is conducive to liberating and developing the productive forces; promoting sustained, sound economic and social development; realizing, safeguarding and developing the fundamental interests of the overwhelming majority of the people; and consolidating the foundation of the Party's governance and its position as the governing party, then we should boldly undertake trials and press ahead, and resolutely break down the old and bring in the new.

...

Comprehensively deepening reform affects the overall situation of the country and will have a deep and far-reaching impact. The key to implementing the resolution of this plenary session is to stay focused on reform in key areas, proceed in a step-by-step and orderly manner, and be sure to complete all the work. The goals of reform set at the plenary session has to be reached by 2020, which is only a few years away, so time is of the essence. Many of the reform initiatives set forth at the plenary session are mentioned only in principle; some are stated in a single paragraph or sentence; some are specific enough to be implemented, while for others there are only plans; and

some may have immediate results, while others may take 3-5 years to complete. As soon as the plenary session is closed and its resolution published, many reform measures will be announced. We need to promptly make arrangements for their implementation so as to avoid confusion at lower levels. We need to have specific plans, arrangements and requirements for every reform, and reforms must be carried out in good order. We need to divide up tasks and clarify responsibilities, and we should make arrangements before and after each year's work and carry out mid-year and year-end performance inspections.

...

The CPC Central Committee will set up a leading group for comprehensively deepening reform that will be charged with developing the overall design for reform, integrating and coordinating reform measures, guiding overall progress, and inspecting and supervising implementation. The Central Committee makes unified arrangements for major reforms that affect the overall picture, and all local authorities and government departments must carry out reforms in accordance with these arrangements, and not just do it their own way or rush headlong into action. Party committees at all levels need to emphasize comprehensively deepening reform and strengthen their leadership over reforms. On the basis of the requirements laid out at this third plenary session and the unified arrangements of the Central Committee, the central authorities, state organs and the armed forces need to strengthen organization and leadership and perform their duties effectively; work out reform

programs, initiatives and steps; and energetically yet soundly carry out their reform. Every province, autonomous region and municipality directly under the central government needs to establish an appropriate leadership mechanism to organize the implementation of the Central Committee's major reform measures in their jurisdiction.

...

We need to integrate the Central Committee's guiding principles whilst considering the reality of each situation, and thoroughly study and resolve major problems affecting reform and development and major problems of great concern to the people. Adopting this as our orientation, we must work hard to turn our roadmap into a program for action and turn the program into reality. We need to have both top-down and bottom-up reforms, and encourage proactive explorations by local authorities, lower-level bodies and the people. We need to strengthen oversight and inspections, tighten follow-up oversight, establish a mechanism for regular evaluations, analyze problems and their causes as soon as they are discovered, and make reforms better targeted, more scientific, and more effective.

—Excerpts from a speech at the second full assembly of the Third Plenary Session of the 18th CPC Central Committee, November 12, 2013

The resolution of the Third Plenary Session of the 18th CPC Central Committee lays out overall arrangements

for comprehensively deepening reform in the new era, and serves to mobilize for their implementation. Orders have already been given, the bugle has sounded the assembly call, a command post has been set up, and all troops are poised to rush to the battlefield. Making arrangements is only the beginning; 90% of the work lies in their implementation. As I said at the end of the plenary session, drawing up a good resolution is only the first step in a long journey. The key lies in implementing it and genuinely turning the guiding principles of the plenary session into a powerful force for transforming our real world.

...

The key to studying and comprehending the guiding principles of the Third Plenary Session of the 18th CPC Central Committee is to study the details and analyze the logic, and dispel doubts and misunderstandings in light of actual practice. We need to stress comprehensiveness, thoroughness and substantiveness; fully and correctly understand the new ideas, conclusions and measures set forth at the plenary session; and get the whole Party and all of society to align their thinking and action with the guiding principles of the plenary session and the requirements of the Central Committee. “Fully” means systematically grasping all reform measures, not mistaking a part for the whole. “Correctly” means having a precise understanding of each reform measure, and not having only a superficial or rough understanding. We especially need to guard against those who maliciously distort the guiding principles of the plenary session and make a pretext of piety to poison

people's minds and sow discord. We need to increase positive publicity, clear up confusions and set the record straight in order to keep inaccurate, incomplete or even intentionally distorted "interpretations" from taking hold and preventing the complete implementation of the guiding principles of the plenary session. Officials at all levels, especially high-level ones, need to thoroughly understand the historical inevitability of reform; shoulder their political responsibility; guide the people to understand and support reform; and to the greatest possible extent draw together positive energy to carry out reform.

...

Comprehensively deepening reform is enormously complex because it involves adjusting deeply entrenched social relations and interests. At present, there is a mood in society that perceives reform as difficult and an attitude of impetuosity toward it. We have to keep up our courage and take sure steps; that is to say, in terms of strategy, we must advance boldly and in terms of tactics, we must proceed steadily. Laozi once said, "Everything difficult must be dealt with while it is still easy, and everything great must be dealt with while it is still small."

...

The whole Party and the people are watching how we implement the reform tasks set forth at the Third Plenary Session of the 18th CPC Central Committee, and the international community is also paying close attention. Our reform is not for the sake of appearances. All talk and no action is unacceptable, as are talk and action that don't

produce results. We can't end up being like Lord Ye, who, as legend has it, professed his love of dragons, but when one appeared before him was scared out of his wits. We need to work with such energy that our grip leaves a mark in the iron tools we clutch and our steps leave footprints in the stones we tread. We should be true to our words, and our actions must produce results. We need to carry out tasks as soon as they are determined and proceed steadily step by step. Small victories add up to big ones and short steps add up to a long journey.

Next year's reform work should begin with reforms that are most urgent, are in the areas the people most wish to see reformed, involve the most serious problems constraining economic and social development, and about which there is broad consensus. We need to launch a number of reforms, get quick results, bring substantive benefits to the people, and get all of society to feel that the market environment, business conditions, and officials' work style are getting better day by day. We need to adhere to the principle of implementing easy reforms first and tough ones later. This doesn't mean not handling tough reforms, but means promptly planning how to roll them out as soon as possible in order to create the conditions for deeper reforms.

...

Comprehensively deepening reform is a new test of the Party's ability to govern and lead, and it imposes new and greater demands on every aspect of Party building. In training officials, improving their quality, promoting them, building leading bodies, educating talented people, pooling the wisdom of people of character and ability, emphasizing

lower-level work, laying a foundation, transforming work style, image building, advocating integrity, and punishing corruption, we must set tasks, adopt measures and establish mechanisms with the requirement to comprehensively deepen reform uppermost in our minds. The success of all this work should be judged on how effectively it ensures and promotes the comprehensive deepening of reform. With a view to exercising effective leadership of the battle to comprehensively deepen reform, we need to strengthen study, do more practical work, and strive to improve the political ability of officials at all levels as well as their ways of thinking so that they are better able to mobilize and organize the people and to deal with complex problems. For every major reform measure we introduce, we need to comprehensively analyze and predict the effect of its implementation and the public reaction to it, and prepare a response to emergencies. We need to strengthen dynamic tracking, foresee what is coming, be adept at identifying emerging issues that signal unfavorable trends and take timely and effective measures to resolve them. If confronted with difficulties, we need to stay calm and unflustered, and rely on the Party and the people to overcome them.

—Excerpts from a speech at the Central Economic Work Conference, December 10, 2013

Comprehensively deepening reform is an uphill struggle and a major test for our Party's governance capacity. To

implement all measures for comprehensively deepening reform, overcome deeply rooted problems in our institutions and mechanisms, and break down barriers of entrenched interests, we must rely heavily on the people for their inexhaustible wisdom and strength. We need to integrate efforts to carry forward reform with those to carry out the campaign to heighten awareness of and implement the Party's mass line; eradicate the persistent problems of formalism, bureaucracy, hedonism and extravagance while at the same time solving reform challenges; and improve our image and raise our spirits while simultaneously pooling everyone's ideas and strengths. This must be done in order to get Party members and officials to refine their thinking and conduct, enhance their enterprising spirit and sense of purpose, opportunity and responsibility, and unite with and lead the people in making the blueprint for reform a reality.

—Excerpt from a speech at a meeting to review the first round of the campaign to heighten awareness of and implement the Party's mass line and make arrangements for the second round, January 20, 2014

We must realize that there are a number of problems involved in implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee that warrant our attention. The major problems are: Some localities, organizations and officials have only a superficial

and inaccurate understanding of these guidelines, and they underestimate how formidable a task comprehensively deepening reform is, the level of complexity involved, and its interrelated and systemic nature. Some of them also do not realize the importance and urgency of comprehensively deepening reform, so they do not take reform seriously enough or work hard enough at it. We need to realize that, as reform continues to progress, it will affect people's interests ever more deeply. We have to be mentally prepared to deal with this. Problems may arise in the course of reform, and difficulties have to be overcome and problems solved one by one. We need to boldly initiate reforms and at the same time become better able to deal with problems as they arise so that we can make progress that is swift but surefooted.

...

The responsibility of the Central Leading Group for Comprehensively Deepening Reform is to implement all the reform measures set forth at the Third Plenary Session of the 18th CPC Central Committee. The leading group has to study the guiding principles of the third plenary session carefully and develop a thorough understanding of them. All the arrangements made at the 18th National Party Congress and the third plenary session are the general basis for our deliberations over state affairs and policy decisions, and the leading group has to take the lead in studying, understanding and digesting them. It has to be adept at grasping the overall picture and making major plans, and should give careful thought to and investigate problems from the perspectives of both the domestic and international situation, the work

of the Party and the country, and the overall situation of comprehensively deepening reform. It needs to ensure that reform is moving in the right direction, and it must take a firm and clear stand when it comes to the path, theories and system of socialism with Chinese characteristics and other fundamental questions, and when facing major issues of principle. Work must be carried out in strict accordance with rules and procedures, and the principles of drawing on collective wisdom and of democratic centralism must be upheld. Once agreement is reached, everyone should do their share of the work, making every effort to secure success. We need to readily assume responsibility for reforms, so when we are sure a new reform is needed we will draw on our political courage and proceed resolutely. We need to fully mobilize everyone's enthusiasm. The more onerous reform tasks are, the more we need to rely on the support and participation of the people. We need to be adept at leading the people forward by laying out and implementing the right reform measures and at improving reform policies on the basis of the people's innovative praxis and development needs.

...

Project teams, the office of the Central Leading Group for Comprehensively Deepening Reform, and organizations that are leading or participating in reform work need to establish good work mechanisms so that each one carries out its duties and responsibilities while strengthening cooperation and coordination between themselves, ensuring that their efforts are synergized.

First, it is imperative to stress overall planning, and to keep in mind both key points and the overall situation as well as both immediate and long-term considerations. It is necessary to handle major relationships well; simultaneously consider overarching strategic issues, the campaign as a whole, and each specific battle; and make a good job of overall planning in the areas of policies, programs, capabilities and progress.

Second, it is important to stress programs. Overall arrangements have already been made for comprehensively deepening reform, and now we have to promptly introduce and carry out plans for implementing all the reform measures.

Third, it is essential to stress implementation. We must have a timetable for implementing all the specific reform measures adopted at the Third Plenary Session of the 18th CPC Central Committee and ensure that each of them is implemented. Different forms of inspection and supervision should be exercised to guide and assist local authorities and government departments in dividing up the tasks and fulfilling their responsibilities.

Fourth, it is necessary to stress investigation and research. Investigation and research on major reforms need to be strengthened, and the voices of the people at lower levels and on the front line should be listened to whenever possible. It is essential to collect as much first-hand information as possible and to acquire a clear understanding of important developments. All regions and government departments need to be encouraged to strengthen

investigation and research. It is imperative to draw on experts, scholars and research bodies for consultation in the area of comprehensively deepening reform.

—Excerpts from a speech at the inaugural meeting of the Central Leading Group for Comprehensively Deepening Reform, January 22, 2014, published in the People's Daily on January 23, 2014

When studying and grasping the guiding principles laid out at the Third Plenary Session of the 18th CPC Central Committee, we need to view them as a whole, understanding the whole in its entirety, and avoiding mistaking just one part for the whole. We especially need to grasp the relationship between overall policy arrangements and specific policies, between a chain of policies and links in the chain, between top-level design and policies at various levels, between the unity of policy and differences among policies, and between long-term policies and policies suited to a particular stage. We cannot allow the parts to replace the whole or the whole to replace the parts, nor can we allow flexibility to undermine principles or principles to hamper flexibility.

...

We need to strengthen guidance of public opinion so that all of society can fully and correctly understand the guiding principles of the third plenary session. For those who do not understand them, we need to strengthen education and guidance. We must firmly refute statements

that deliberately distort and defame these guiding principles, speak out and set the record straight, and strive to get the whole Party and all of society to understand, support, participate in, and promote reform.

...

Implementing the guiding principles of the third plenary session is an honorable task bestowed on us by the age we live in. We must have a sense of urgency, knowing that time waits for no one, and a sense of responsibility that prompts us to work diligently around the clock to accomplish this task. We must guard against the mindset that “reform has nothing to do with me and opening up is too far detached from my own life for me to care about.” We should never adopt a wait-and-see approach to reform, and we must not drag our feet, or be narcissistic or complacent. We need to work effectively; otherwise, even the best blueprint is no better than a blank sheet of paper, and a goal almost within reach is no more than an illusion.

...

Reform should be carried out gradually and in an orderly way. We need to have the courage to make breakthroughs while progressing steadily step by step, and add up our small victories to make big ones. We cannot violate objective laws or rush blindly into action. If we think we can introduce new policies and measures without sufficient investigation and discussion, or even compete to launch the most reform measures without determining whether they suit the circumstances, not only will we accomplish nothing, but we may well do more harm than good. We need to work solidly

and remain committed to the roadmap and timetable for reform to ensure that we reach the goals and accomplish the tasks of reform.

...

In deepening reform, we will inevitably encroach on some people's interests and encounter the constraints of complex relationships, but you can't make everyone happy. To break down vested interests and carry out reforms, we must have courage and insight and take responsibility. If we are overcautious or are afraid of making a move or upsetting anyone, we will have difficulty implementing measures and carrying this work forward. Our plans for comprehensively deepening reform were made on the basis of the country's overall, fundamental, and long-term interests. The aim is to ensure that the whole is greater than the sum of the parts and overall benefits keep multiplying. These plans also aim to ensure that the whole is not less than the sum of the parts and that nobody hinders or undermines the efforts of others for the sake of their local interests. People working in localities and government departments need to consider problems and do their work from the vantage point of the Party and the nation's overall interests, and not just be selective, taking what they need, or even going as far as to serve their local interests in the name of reform. They need to avoid doing only what suits them and ignoring what does not, avoid operating improperly or in disregard of rules and regulations, and avoid taking a wait and see attitude due to a lack of confidence.

We need to break away from inappropriate mindsets. Some of people's mindsets are formed over years of work; some are determined by one's standpoint, position or interests; and some are closely related to one's work patterns, powers and procedures. As our cause develops and circumstances change, what was appropriate in the past may no longer be suitable today, and what was effective for a long time may no longer work now. There is a saying, "What was right yesterday might be wrong today, and what is wrong today might be right tomorrow." Facing new circumstances and new tasks, if one acts entirely on the basis of set ways of thinking, one may feel it is not necessary to reform or may lack the initiative to carry out reform, and this may result in delays. When we say we will break the shackles of entrenched thinking with greater determination, we mean that we will do away with set ways of thinking that impede reform and development, fall into step with current trends, and keep up with the times. As the saying goes, "Nothing is impossible if you size up the situation and plan your actions carefully." We must be mentally prepared to bear the pressure of reform and pay the price of reform. We need to unflinchingly reform whatever needs to be reformed to benefit the cause of the people and Party, the vast majority of our people, and the flourishing and enduring stability of the Party and the country. Doing this is being responsible to history, to the people, and to our nation.

—Excerpts from a speech at a workshop for principal officials at or above the provincial and ministerial level on studying and implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and comprehensively deepening reform, February 17, 2014

All major reforms must have a legal basis. Throughout the reform process, we need to make sure that we think and act based on law, have the rule of law guide and give impetus to reform work, and intensify legislative work to make sure reform progresses based on the rule of law.

—Excerpt from a speech at the second meeting of the Central Leading Group for Comprehensively Deepening Reform, February 28 2014, published in the People's Daily on March 1, 2014

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