

CHINA'S 14TH FIVE-YEAR PLAN

CHINA-UNITED STATES EXCHANGE FOUNDATION



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The National People's Congress of China passed the 14th Five-Year Plan on March 12. The plan will guide China's development in the next five years and signals several shifts of focus by the Chinese government.

KEY POINTS



1. Innovation, industrial modernization, and digitalization as priorities of economic and social development



2. "Dual Circulation" in response to the Covid-19 pandemic and great power competition



3. Better life quality emphasized after poverty is alleviated



4. Soft power and cultural development gains more attention

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FULL TEXT OF THE 14TH FIVE-YEAR PLAN (CHINESE ONLY)

- [The 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives Through the Year 2035](#)

Basics of China's Five-Year Plan

What

- When used alone, a "Five-Year Plan" is short for a "**Five-Year Plan for National Economic and Social Development**".
- The Five-Year Plans provide **all-inclusive guidelines** for China's economic and social development every five years. Therefore the document is usually long. For example, the 14th Five-Year Plan consists of 65 chapters in 19 parts, with more than 60,000 characters included.
- There are **Five-Year Plans for different sectors and issues**, as well. For example, the Five-Year Plan for Scientific and Technological Innovation.

Where

- Besides the **national Five-Year Plans**, there are **Five-Year Plans of each province and city**. Many counties and districts, even townships also have their own Five-Year Plans.
- **Local governments** create Five-Year Plans for certain industries or reforms within their authority.

When

- The Five-Year Plan scheme **started in 1953**. After being interrupted in 1963, the scheme resumed in 1966 and carries on until today.
- A new plan is launched every five years, the last three Five-Year Plans were issued in 2006, 2011, and 2016.
- It takes the country **about 2.5 years to make a national Five-Year Plan**.

Who

- A lot of people are involved in the drafting of a national Five-Year Plan.
 - The Chinese National People's Congress (**NPC**)
 - the Communist Party of China Central Committee (**CPCCC**)
 - The Chinese **State Council**
 - China's National Development and Reform Commission (**NDRC**) and provincial Development and Reform Commissions
 - **Experts and representatives of all walks of life** in China

How

- Here is how a national Five-Year Plan is created.
 1. **Review** (from 2.5 yrs before): The Chinese government carries out a mid-term review on the current Five-Year Plan when the plan reaches its halfway point.
 2. **Research** (from 2 yrs before): NDRC conducts research on the next Five-Year Plan based on the review. Provincial Development and Reform Commissions are also involved. These commissions consult experts, scholars, and people from different sectors to understand their situation and demands.
 3. **Propose** (5-6 mon before): The CPCCC brings forward its draft proposals for the formulation of the Five-Year Plan ("the proposals"), shares with different stakeholders in the country, and modifies the proposals based on the feedback. The CPCCC then decides the final version of the proposals at the end of the year before the new Five-Year Plan launches.
 4. **Draft and finalize**: A draft of the Five-Year Plan is delivered according to the proposals before the NPC's annual full session, which is usually held in March in recent years. The draft is submitted to and is passed by the NPC, and becomes an official plan for the country in the next five years.

Highlights of the 14th Five-Year Plan

A Five-Year Plan at the onset of a new era

- The 14th Five-Year Plan period is when the Chinese government finishes its goal of building "a Moderately Prosperous Society in All Respects" (全面建成小康社會) and initiates its efforts to become "**a Great Modern Socialist Country**" (建成社會主義現代化強國) in 2050. The two goals were set by the Communist Party of China (CPC) and are dubbed as "**the two centenary goals**" ("兩個一百年"奮鬥目標).
- China is expected to **become a high-income country** during the 14th Five-Year Plan period.*
- The 14th Five-Year Plan period starts as the **post-pandemic global landscape** forms.

* According to the World Bank, high-income economies are those in which 2019 gross national income (GNI) per capita was \$12,536 or more.

Long-term objectives in 2035: "socialist modernization"

- The 14th Five-Year Plan anticipates that China will "**basically realize**" "**socialist modernization**" in 2035, which will be a milestone towards a Great Modern Socialist Country. Specifically, by 2035, China will
 - have a leap forward in its **national power** and become a **leading innovative country**;
 - establish **a modernized economy**;
 - become a country under the **rule of law**;
 - be significantly stronger in **the soft power of culture**;
 - fundamentally improve its **eco-environment**;
 - form a new pattern for opening-up, with its **international competitiveness** markedly enhanced;
 - have a GDP per capita at the level as that of a **moderately developed country**;
 - improve its safety and **modernize its military**;
 - increase the **quality and equality** of people's life.

A shift to quality-focused development

- Unlike China's previous Five-Year Plans, there is **no growth target** for the 14th Five-Year Plan period, indicating a departure from a GDP-centric development pattern.
- The eight **binding indicators** in the Plan are about **education, ecology, and security**:
 - average years of education of working-age population should reach 11.3 years;
 - reduction in energy consumption per unit of GDP should reach 13.5% in five years;
 - reduction in carbon dioxide emissions per unit of GDP should reach 18% in five years;
 - share of days with good air quality in cities at prefecture level and above should reach 87.5%;
 - share of surface water at or better than class III should reach 85%;
 - forest coverage rate should be 24.1%;
 - comprehensive grain production capacity should be more than 650 million tons[^];
 - comprehensive energy production capacity should be more than 4.6 billion tons of coal equivalent[^].
- Among the 12 **indicative indicators**, six are about **people's wellbeing**, three about **innovation**, and another three about **economic development**.

[^] Included in the main indicators of a Five-Year Plan for the first time.

Highlights of the 14th Five-Year Plan (Cont')

Innovation and industrial modernization as priorities

- **Innovation** remains the top priority in the 14th Five-Year Plan while more weight is given to the **modernization of industries** and **digitalization**, signaling an emphasis on technology development.
- The new concept of "**dual circulation**" also ranks high in the national government's concern, responding to a risk-mounting global environment amid the intensifying competition between China and the U.S. and after the Covid-19 pandemic.
- **Cultural development** as a part of **soft power** gains significantly increased attention.

Sequence of Issues Appear in the Five-Year Plans





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