

Decision of the Central Committee of the Communist Party of China on Some Major Issues Concerning Comprehensively Deepening the Reform

China.org.cn, January 16, 2014

Adopted at the Third Plenary Session of the 18th Central Committee of the Communist Party of China on November 12, 2013

In order to implement the strategic planning adopted at the 18th National Congress of the Communist Party of China, the Third Plenary Session of the 18th Central Committee of the Communist Party of China discussed some major issues concerning deepening the reform comprehensively, and made the following decisions.

I. The Significance of and Guiding Thoughts on Deepening the Reform Comprehensively

1. Reform and opening up is a new, great revolution, in which the Communist Party of China (CPC) leads people of all ethnic groups to carry out in the new era. It is the most distinctive characteristic of contemporary China. Since 1978, when the Third Plenary Session of the 11th CPC Central Committee was convened, the CPC, with great political courage, has firmly promoted reforms in the country's economic, political, cultural, social and ecological systems, as well as in the system of Party building. China's opening up has also been continuously promoted. The strength of the determination, the depth of the changes and the width of the influence are all unprecedented, and the achievements have drawn the attention of the world.

The most important achievement of reform and opening up is the establishment and development of socialism with Chinese characteristics, which has provided a powerful impetus and guarantee for socialist modernization. Facts have proved that reform and opening up is a critical choice that has determined the destiny of contemporary China, and also an important instrument for the undertakings of the CPC and the Chinese people to catch up with the times in great strides. There will never be an end to practice, to emancipation of the mind, and to reform and opening up. Faced with a new environment and new tasks, we must deepen the reform comprehensively at this new historical turning point, and continuously strengthen every confidence in taking the path of socialism with Chinese characteristics, in our theories and in our system so as to build a moderately

prosperous society in all respects, eventually making China a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious, and realizing the Chinese dream of the nation's great revival.

2. To deepen the reform comprehensively, we must hold high the great banner of socialism with Chinese characteristics, follow the guidance of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the important thought of the Three Represents and the Scientific Outlook on Development. We must have firm confidence, forge consensus, make holistic planning, and promote development in a coordinated way. We will uphold the direction of reform towards the socialist market economy, put the promotion of social fairness, justice and improvement of people's lives as the starting point and ultimate goal, further emancipate the mind, continue to release and develop the productive forces, release and strengthen vigor of the society, get rid of defects in various systems and mechanisms, and strive to open up broader prospects for socialism with Chinese characteristics.

The overall goal of deepening the reform comprehensively is to improve and develop socialism with Chinese characteristics, and to promote the modernization of the national governance system and capacity. We must pay more attention to implementing systematic, integrated and coordinated reforms, promoting the development of socialist market economy, democratic politics, advanced culture, a harmonious society and ecological progress. We must make sure that the vigor of labor, knowledge, technology, managerial expertise and capital keeps bursting forth, all the wealth-creating sources fully flow, and that the fruits of development benefit all people still more and equally.

We must deepen economic system reform by centering on the decisive role of the market in allocating resources, adhere to and improve the basic economic system, accelerate the improvement of the modern market system, macro-control system and open economic system. We must accelerate the transformation of the growth model, and make China an innovative country. We must promote more efficient, equal and sustainable economic development.

We must deepen political system reform that features the organic unity of upholding the leadership of the Party, the people being the masters of the country, and governing the country according to the rule of law. We should work harder to accelerate socialist democracy in a systematic way by

adopting due standards and procedures. We should build a socialist country with the rule of law, and develop people's democracy with wider, more adequate and sound participation.

We must deepen cultural system reform by centering on building the core socialist value system and developing a strong socialist culture in China. We should accelerate improvement of the system for managing the cultural sector and the mechanism for cultural production and operation, establish and improve a modern public cultural service system, establish the basic framework of a modern cultural market system, and bring about great development and enrichment of socialist culture.

We must deepen social structural reform by centering on safeguarding and improving the people's wellbeing and promoting social fairness and justice. We should reform the income distribution system and promote common prosperity. We should promote system innovation in the social sector, promote equal access to basic public services, and step up efforts to form a scientific and effective social management system so that our society is full of vigor, but also harmonious and orderly.

We must deepen ecological environment management reform by centering on building a beautiful China. We should accelerate system building to promote ecological progress, improve institutions and mechanisms for developing geographical space, conserving resources and protecting the ecological environment and promoting modernization featuring harmonious development between Man and Nature.

We must deepen the reform of the Party building system by centering on enhancing the Party's capacity to govern in a scientific and democratic way and in accordance with the law. We should strengthen the building of democratic centralism, and improve the leadership system and governing style of the Party. We should maintain the Party's advanced nature and purity, thus providing strong political support for reform and opening up and socialist modernization.

3. To deepen the reform comprehensively, we must bear in mind the fact that China is still in the primary stage of socialism and will remain so for a long time to come. We should adhere to the major strategic judgment that development is still the key to solving all problems in China, take economic construction as our central task, give full play to the leading role of economic system reform, balance the relations of production with the productive forces as

well as the superstructure with the economic base, and promote sound, sustainable economic and social development.

Economic system reform is the focus of deepening the reform comprehensively. The underlying issue is how to strike a balance between the role of the government and that of the market, and let the market play the decisive role in allocating resources and let the government play its functions better. It is a general rule of the market economy that the market decides the allocation of resources. We have to follow this rule when we improve the socialist market economy. We should work hard to address the problems of market imperfection, too much government interference and poor oversight.

We must actively and in an orderly manner promote market-oriented reform in width and in depth, greatly reducing the government's role in the direct allocation of resources, and promote resources allocation according to market rules, market prices and market competition, so as to maximize the benefits and optimize the efficiency. The main responsibility and role of the government is to maintain the stability of the macro-economy, strengthen and improve public services, safeguard fair competition, strengthen oversight of the market, maintain market order, promote sustainable development and common prosperity, and intervene in situations where market failure occurs.

4. The success of reform and opening up has provided us with important experience for deepening the reform comprehensively. We have to adhere to it in the long term. What is the most important is to uphold the leadership of the Party, adhere to the Party's basic line, reject both the old and rigid closed-door policy and any attempt to abandon socialism and take an erroneous path, firmly take the socialist road and ensure that our reform is in the right direction. We should emancipate the mind, seek truth from facts, keep up with the times, be realistic and pragmatic, base ourselves on reality in everything we do, summarize successful domestic experience, learn useful experience from other countries, and boldly promote innovation both in theory and practice. We should put people first, respect the people's central position in the country, give full rein to their creativity, promote reform with the close support of the people, and promote well-rounded development of the person. We should strike a balance between reform, development and stability, implement reform boldly and steadily, combine the top-level design with cautious advance, promote both comprehensive advance and breakthroughs at key points, improve scientific decision-making, rally consensus from all sides and form joint force for reform. At present, our country's development has entered a new phase, and its reform has entered a period of overcoming major difficulties and a

deep-water zone. With a strong sense of our historical mission, we must pool the wisdom of the entire Party and the entire society to the broadest extent, mobilize all positive elements, dare to face tough choices, ford dangerous rapids, shatter fetters of outdated ideological concepts with greater determination, overcome the barriers of solidified interests, and promote the self-improvement and development of the system of socialism with Chinese characteristics.

By 2020, decisive results will have been achieved in the reform of important areas and crucial segments. The reform tasks put forward in this Decision are to be completed within this period, and institutions and systems that are structurally complete, scientifically standardized and effective in operation are to be formed, to ensure that institutions in all areas become more mature and complete.

II. Adhering to and Improving the Basic Economic System

The basic economic system with public ownership playing a dominant role and different economic sectors developing side by side is an important pillar of the socialist system with Chinese characteristics and is the foundation of the socialist market economy. Both the public and non-public sectors are key components of the socialist market economy, and are important bases for the economic and social development of China. We must unswervingly consolidate and develop the public economy, persist in the dominant position of public ownership, give full play to the leading role of the state-owned sector, and continuously increase its vitality, controlling force and influence. We must unwaveringly encourage, support and guide the development of the non-public sector, and stimulate its dynamism and creativity.

5. Improving the property rights protection system. Property rights are the core of ownership. We need to improve the modern property rights system with clear ownership, clear-cut rights and obligations, strict protection and smooth flow. The property rights of the public sector are inviolable, as are those of the non-public sector. The state protects the property rights and legitimate interests of all economic sectors, ensures that they have equal access to the factors of production according to the law, participate in market competition on an open, fair and just footing, and are accorded with equal protection and oversight according to the law.

6. Vigorously developing a mixed economy. A mixed economy with cross holding by and mutual fusion between state-owned capital, collective capital and non-public capital is an important way to

materialize the basic economic system of China. It is conducive to improving the amplification function of state-owned capital, ensuring the appreciation of its value and raising its competitiveness, and it is conducive to enabling capital with all kinds of ownership to draw on one another's strong points to offset weaknesses, stimulate one another and develop together. We will allow more state-owned enterprises (SOEs) and enterprises of other types of ownership to develop into mixed enterprises. We will allow non-state-owned capital to hold shares in projects invested by state-owned capital. We will allow mixed enterprises to implement employee stock ownership plans (ESOP) to form communities of capital owners and laborers.

We will improve the state-owned assets management system, strengthen state-owned assets oversight with capital management at the core, reform the authorized operation mechanism for state-owned capital, establish a number of state-owned capital operating companies, support qualified SOEs to reorganize themselves into state-owned capital investment companies. State-owned capital investment operations must serve the strategic goals of the state, invest more in key industries and areas that are vital to national security and are the lifeblood of the economy, focusing on offering public services, developing important and forward-looking strategic industries, protecting the ecological environment, supporting scientific and technological progress, and guaranteeing national security.

We will transfer part of the state-owned capital to social security funds. We will improve the budgeting system for the operation of state-owned capital, and increase the proportion of state-owned capital gains that are turned over to the public finance to 30 percent by 2020, to be used to ensure and improve the people's livelihood.

7. Promoting a modern corporate system for SOEs. Owned by the whole people, SOEs are an important force for advancing national modernization and protecting the common interests of the people. Although SOEs generally have assimilated themselves into the market economy, they must adapt to new trends of marketization and internationalization, and further deepen their reform by aiming the focus at regular decision making over operation, maintaining and appreciating the value of state assets, participation in competition on an equal footing, raising production efficiency, strengthening enterprise vitality, and bearing due social obligations. We will accurately define the functions of different SOEs. We will ensure state-owned capital increases its input into public-welfare enterprises and make greater contributions in the provision of public services. In natural

monopoly industries in which state-owned capital continues to be the control shareholder, we will carry out reform focusing on separation of government administration from enterprise management, separation of government administration from state assets management, franchise operation, and government oversight, separate networks from operations and decontrol competitive businesses based on the characteristics of different industries, and make public resource allocation more market-oriented. We will continue to break up all forms of administrative monopoly.

We will improve the corporate governance structure with coordinated operations and effective checks and balances. We will establish a system of professional managers, and give better play to the role of entrepreneurs. We will deepen reform of systems concerning the promotion and demotion of management personnel, hiring and firing of employees, and salary increase and decrease. We will establish a long-term incentive and restraint mechanism, and strengthen investigations into the accountability of SOE operations and investment. We will explore ways to publicize important information, including SOE financial budgets. SOEs should appropriately increase the proportion of market-oriented recruitment, and rationally determine and strictly regulate the salary standards, position benefits, position-related expenses and business spending of SOE management personnel.

8. Supporting the healthy development of the non-public sector. The non-public sector plays an important role in sustaining growth, stimulating innovation, increasing employment, increasing tax revenues and so on. We will persist in equality of rights, opportunities and rules, abolish all forms of irrational regulations for the non-public economy, remove all hidden barriers, and adopt specific measures for non-public enterprises to enter franchising fields. We will encourage non-public enterprises to participate in SOE reform, foster mixed enterprises with non-public capital as the controlling shareholder, and encourage qualified private enterprises to establish the modern corporate system.

III. Accelerating the Improvement of the Modern Market System

Establishing a unified, open, competitive and orderly market system is the basis for the market to play a decisive role in the allocation of resources. We must put in place a modern market system in which enterprises enjoy independent management and fair competition, consumers have free choice and make autonomous consumption decisions, products and factors of production flow

freely and are exchanged on an equal basis, strive to remove market barriers, and raise the efficiency and fairness of resource allocation.

9. Enacting market rules that are fair, open and transparent. We will implement a unified market access system; and on the basis of making a negative list, all kinds of market players may enter areas not on the negative list on an equal basis and according to law. We will explore a management model for foreign investors with pre-entry national treatment plus the negative list. We will make the business registration system more convenient by reducing the number of items that require qualification verification, turning certification before licensing into licensing before certification, and gradually changing the paid-in capital registration system into a subscribed capital registration system. We will propel reform of our domestic commodity distribution structure while building a business environment under the rule of law.

We will reform the market oversight system, implement uniform market oversight, tidy up and annul all sorts of regulations and methods that impede the national unified market and fair competition, strictly ban and punish all unlawful acts extending preferential policies, combat regional protection, and oppose monopoly and unfair competition. We will establish and improve a social credit system to commend honesty and punish dishonesty. We will improve the market exit system in which the good eliminates the bad, and perfect the enterprise bankruptcy system.

10. Improving the mechanism whereby prices are mainly determined by the market. Any price that can be determined by the market must be left to the market, and the government is not to carry out improper interventions. We will push ahead with pricing reforms of water, oil, natural gas, electricity, transportation, telecommunications and some other sectors while relaxing price control in competitive areas. Prices which are determined by the government will be limited to important public utilities, public-welfare services and network-based natural monopolies while raising transparency and accepting social supervision. We will improve the pricing mechanism for agricultural products, and attach importance to the market's role in determining prices.

11. Forming a unified construction land market for both urban and rural areas. We will allow rural collectively owned profit-oriented construction land to be sold, leased and appraised as shares, on the premise that it conforms to planning and its use is under control, and ensure that it can enter the market with the same rights and at the same prices as state-owned land. We will narrow the

scope of land expropriation, regulate the procedures for land appropriation, and improve the rational, regular and multiple security mechanism for farmers whose land is requisitioned. We will broaden the scope of compensated use of state-owned land, and reduce land appropriation for non-public welfare projects. We will establish a mechanism for the distribution of incremental benefits from land that takes into account the interests of the state, the collective and the individual, and appropriately raise individual income from such benefits. We will improve the secondary market for land leasing, transfer and mortgage.

12. Improving the financial market. We will open the financial industry wider, and allow qualified non-governmental capital to set up, in accordance with law, financial institutions such as small or medium-sized banks on the precondition that this comes under stronger oversight. We will push ahead with reform of policy financial institutions. We will improve the multi-layer capital market system, promote reform toward a registration-based stock-issuing system, promote equity financing through diverse channels, develop and regulate the bond market, and increase the proportion of direct financing. We will improve the compensation mechanism for the insurance industry, and establish an insurance system for catastrophe risks. We will develop inclusive finance. We will encourage financial innovations, and enrich the financial market with more levels and more products.

We will improve the mechanism for market-based Renminbi exchange rate formation, accelerate interest-rate liberalization, and improve the national debt yield curve that reflects the relationship between market supply and demand. We will promote the opening of the capital market in both directions, raise the convertibility of cross-border capital and financial transactions in an orderly way, establish and improve a management system of foreign debt and capital flow within the framework of macro-management, and accelerate the realization of Renminbi capital account convertibility.

We will carry out reform measures and stability standards for financial oversight, improve the mechanism for oversight and coordination in the financial sector, and define the oversight functions and risk management responsibilities at both the central and local levels. We will build a deposit insurance system, and improve the market-based exit mechanism for financial institutions. We will strengthen financial infrastructure construction to ensure that the financial market operates in a safe, efficient and stable way.

13. Deepening reform of the management system for science and technology. We will set up and improve mechanisms and institutions that encourage original innovation, integrated innovation, and re-innovation based on introduction and absorption, improve the mechanism that encourages market-based technological innovation, and give free rein to the market's guiding role in technological research and development orientation, choice of paths, pricing of factors, and allocation of all innovation factors. We will establish an innovation system that integrates enterprises, universities and research institutes, strengthen the dominant position of enterprises in technological innovation, give full play to the role of large enterprises as the backbone of innovation, arouse the innovation vitality of small and medium-sized enterprises, promote the reform of applied technology research and development institutes to make them more market-oriented and transform them into business enterprises, and build a national innovation system. We will strengthen the application and protection of intellectual property rights (IPR), improve the technological innovation incentive mechanism, and explore ways to set up IPR courts. We will abolish administrative dominance and departmental fragmentation, and develop a mechanism within which the market plays a key part in determining innovation programs and allocation of funds, and assessing results. We will develop the technology market, improve the technology-transfer mechanism, improve the financing conditions for small and medium-sized enterprises of science and technology, improve the venture capital investment mechanism, innovate business models, and promote the capitalization and industrialization of scientific and technological achievements.

We will integrate science and technology programs and resources, and improve the mechanism for the government to extend support to basic, strategic and pioneering scientific research and generic technology research. Major national scientific research infrastructure that should be open to the public in accordance with prescribed regulations is to be open without exception. We will establish an innovation survey system and an innovation reporting system, while building an open and transparent mechanism for state scientific research resource management and project appraisal.

We will reform the academician selection and management system, optimize the structure of disciplines, raise the proportion of young and middle-aged talented people, and put in place an academician retirement and exit system.

IV. Accelerating the Transformation of Government Functions

Scientific macro control and effective government administration are the intrinsic requirements for exploiting the advantages of the socialist market economy system. We should transform government functions, deepen the reform of the administrative system, exercise government administration in an innovative way, increase public trust in the government and improve its competence, and build a law-based and service-oriented government.

14. Improving the macro control system. The major tasks of macro control are to maintain balanced economic aggregates, coordinate major economic structures, optimize the distribution of the productive forces, mitigate the impact of periodic economic fluctuation, defuse regional and systematic risks, stabilize market expectations, and realize sustained and sound economic development. We should improve the macro control system guided by the national development strategy and plans mainly through fiscal and monetary policies; institutionalize the formulation of macro control objectives and the implementation of policy measures, and enhance the coordination of fiscal, monetary, industrial and pricing policies. We will improve the discretionary monetary policy and ensure that macro control is more proactive, pertinent and coordinated. We will establish a mechanism of participating in international macroeconomic policy coordination, and improve the overall global economic governance structure. We will deepen the reform of the investment system, and ensure the dominant role of enterprises in investment. All enterprise investment projects, except for those concerning national security or ecological security, distribution of the major productive forces, strategic resources development and major public interests, should be decided by the enterprises independently in accordance with the law, and no longer require government approval. Market access standards will be reinforced regarding energy, land and water conservation, environment, technology, security, etc. and a long-term mechanism will be established and improved for preventing and dissipating excess production capacity. We will improve the development progress evaluation system, correct the bias of evaluating political achievements merely by the economic growth rate. We will increase the weight of other evaluation indicators such as resources consumption, environmental damage, ecological benefits, excess production capacity, sci-tech innovation, production safety and new debts, while more emphasis will be put on employment, residents' income, social security and public health. We will establish a unified national accounting system, formulate national and local balance sheets, and promote information sharing between government departments by setting up a nationwide database containing real estate and credit and other basic information.

15. Fully and correctly performing government functions. We will further streamline the administration and delegate more power to lower levels, deepen the reform of the system concerning matters subject to government examination and approval, and reduce the central government's administration in micro affairs to the greatest extent. We will cancel all administrative approval procedures for economic activities under the effective regulation of the market mechanism. We will manage matters that require administrative approval according to procedures and with high efficiency. We will transfer large-scale and widely-participated-in social and economic projects to local and community-level management for convenience and efficiency. The government will strengthen the formulation and implementation of development strategies, plans, policies and standards, enhance market activity monitoring and supply of public services. We will enhance the central government's competence in macro control, improve local government's performance in public services, market supervision, social management and environmental protection. We will promote government purchases of public services by means of contract and entrustment, and introduce a competition mechanism into general-affairs management services. We will accelerate the reform of public institutions based on the classification of their functions, increase government purchases of public services, straighten up the relationship between public institutions and their competent administrative departments, and promote de-administration of public institutions. We will create conditions to gradually rescind the administrative ranks of schools, research institutes and hospitals. We will set up legal person governance structure for public institutions, transform qualified public institutions into enterprises or social organizations, and establish a unified registration system for the management of public institutions of all kinds.

16. Streamlining the government structure. Institutional restructuring is a must for the transformation of government functions. We will improve the government organizational structure, function composition and work procedures so that we will have a good administrative system with decision-making, executive and oversight powers checking each other and functioning in concert. We will have strict management on performance, fulfill government responsibilities, and ensure the integration of power and responsibility. We will promote the reform of Party organs, government departments and mass organizations as a whole, and clarify their responsibilities. We will actively yet steadily advance the reform to establish larger government departments. We will improve the structure of the administrative setup and geographic administrative divisions, and experiment with placing counties and county-level cities directly under the jurisdiction of provincial governments

where conditions permit. We will strictly control the size of government bodies, appoint leading officials in strict accordance with designated government positions, reduce the number of government organs and leading officials, and rigorously control the number of personnel supported by state finance. We will promote scientific and law-based management of government staffing with due procedures.

V. Deepening the Reform of the Fiscal and Taxation Systems

Finance is the foundation and an important pillar of state governance. Good fiscal and taxation systems are the institutional guarantee for optimizing resources allocation, maintaining market unity, promoting social equity, and realizing enduring peace and stability. We must improve legislation, clarify powers and responsibilities, reform the taxation system, stabilize tax burdens, have transparent budgets, increase efficiency, and establish a modern fiscal system to mobilize the initiative of both the central and local governments.

17. Improving the budget management system. We will adopt a completely standardized, open and transparent budget system. The focus of budget review will be extended from fiscal balance and deficit scale to expenditure budget and fiscal policies. We will clear up major expenditures that are linked to increases in financial revenues or GDP, and normally we will not link them up. We will establish a cross-year budget balance mechanism, a comprehensive government financial reporting system on accrual basis, and a standardized and reasonable debt management and risk early warning mechanism for both central and local governments. We will improve the general transfer payments growth mechanism, and mainly increase the transfer payments to old revolutionary base areas, regions inhabited by ethnic minorities in compact communities, border areas and poverty-stricken areas. Local fiscal gaps caused by the central authority's policy of increasing spending will be filled by general transfer payments in principle. We will tidy up, integrate and regulate special transfer payments projects, gradually cancel special matching funds and matching funds from local government in competitive areas. We will rigorously control special transfer payments for guiding, relief and emergency purposes, and screen the remaining special transfer payments and include them in the category of general transfer payments if they concern local affairs.

18. Improving the taxation system. We will deepen the reform of the taxation system, improve the local tax system, and gradually increase the proportion of direct tax. We will promote the reform of

value-added tax, and simplify tax rate appropriately. We will adjust the collection scope, procedures and rates of consumption tax, and impose this tax on products that consume too much energy and cause serious pollution as well as some high-end consumer goods. We will establish an individual income tax system in which taxable income is defined in both comprehensive and categorized ways, accelerate real estate tax legislation and push the related reform forward in a timely manner. We will accelerate resource tax reform, and change the current environmental protection fee into an environment tax. In line with the principles of unifying taxation, promoting equality in tax burdens and fair competition, we will strengthen management of preferential tax policies, especially regional preferential tax policies. All preferential tax policies will be made clear in taxation laws and regulations and we will sort out existing preferential policies in this regard. We will improve the collection and management system of state and local taxes.

19. Establishing a system whereby authority of office matches responsibility of expenditure.

We will appropriately increase the authority of office and responsibility of expenditure of the central government, including those concerning national defense, foreign affairs, national security, and unified national market rules and management. The authority of office over some social security programs, the construction and maintenance of major trans-regional projects will be shared by the central and local governments, and gradually clarify authority of office in this regard. Regional public services are the responsibilities of local governments. The central and local governments will shoulder their respective expenditure responsibilities according to the division of the authority of office. The central government can delegate some expenditure responsibilities to local governments through transfer payments. In terms of trans-regional public services with great impacts on other regions, the central government will share some of the expenditure responsibilities of local governments through transfer payments. We will maintain the overall stability of the current financial pattern of the central and local governments, and further rationalize the division of revenues between them through tax reform and taking into consideration the tax categories.

VI. Improving Mechanisms and Institutions for Integrated Development of Urban and Rural Areas

The urban-rural dual structure is a main obstacle to the integrated development of urban and rural areas. We must improve the mechanisms and institutions to form new relations between industry and agriculture and between urban and rural areas in which industry promotes agriculture, urban

areas support rural development, agriculture and industry benefit each other, and urban and rural areas achieve integrated development, so that the overwhelming majority of farmers can participate in the modernization process on an equal basis and share the fruits of modernization.

20. Accelerating the building of a new type of agricultural operation system. We will maintain the fundamental status of family operation in agriculture, advancing the innovation of an agricultural operation model featuring the joint development of family operation, collective operation, cooperative operation and enterprise operation. We will maintain the collective ownership of rural land, protect farmers' contracted land-use rights by law, and boost the collective economy. We will stabilize rural land-contracting relationships which will remain unchanged for a long time to come. On the premise of upholding and improving the system for providing the strictest possible protection for farmland, we will endow farmers with the rights to land tenure, land use, land revenue, land transfer and mortgage and guarantee of contracted land use, and allow farmers to develop industrialized operation of agriculture by becoming shareholders using their contracted land-use right. We will encourage the transfer of contracted land-use right to big, specialized operators, family farms, farmers' cooperatives and agricultural enterprises, so as to develop large-scale agricultural operations in diverse forms. We will encourage rural areas to develop the cooperative economy, support large-scale, specialized and modernized operations. We will allow qualified cooperatives to receive fiscal funds from the government, to hold and manage assets formed from fiscal subsidies, and to engage in credit cooperation. We will encourage and guide industrial and commercial capital to invest in rural areas to develop modern planting and breeding industries suited for commercialized management, and introduce modern factors of production and operation models into agriculture.

21. Endowing farmers with more property rights. We will safeguard the rights and interests of farmers as members of collective economic organizations, vigorously promote farmers' joint-stock partnerships, grant farmers the rights to possess, profit from, pull out with compensation, mortgage, guarantee and inherit shares of collective assets. We will ensure rural households' usufruct of their homestead, and improve the rural homestead system through reform. We will select several pilot areas to steadily and prudently push forward the mortgage, guarantee and transfer of farmers' residential property rights, and expand the channels for farmers to increase their property income.

We will set up a rural property rights transfer market, and promote the open, fair and procedure-based operation of rural property rights transfer.

22. Promoting equal exchanges of factors of production and balanced allocation of public resources between urban and rural areas. We will protect farmers' rights and interests concerning the factors of production, ensure migrant workers receive equal pay for equal work, ensure farmers share equally the gains from added value of land, and ensure financial institutions' rural deposits are allocated mainly for agricultural and rural use. We will improve the system of supporting and protecting agriculture, reform the system of subsidizing agriculture, and improve the system of subsidizing major grain-producing areas. We will improve the agricultural insurance system. We will encourage investment in rural development, and permit enterprises and social organizations to start all kinds of undertakings in rural areas. We will make overall plans for developing urban and rural infrastructure and communities, and promote equitable access to basic public services in urban and rural areas.

23. Improving the institutions and mechanisms for promoting the sound development of urbanization. We will stick to the path of a new-type urbanization with Chinese characteristics, push forward people-oriented urbanization, promote the coordinated development of megacities, mid-sized cities, small cities and small towns, promote the integrated development of industries and cities, and advance urbanization and the building of new rural areas in a coordinated manner. We will improve the urban spatial structure and management pattern, and enhance the urban comprehensive carrying capacity. We will promote innovation in urban construction management. We will establish a transparent and procedure-based investment and financing mechanism for urban development, allow local governments to expand the channels of financing for urban development by issuing bonds and other means, allow private capital to participate in urban infrastructure investment and operation by franchise and other means, and study the possibility of setting up policy financial institutions for developing urban infrastructure and housing. We will improve the standards for the establishment of cities, strictly follow the examination and approval procedures, and upgrade counties qualified for administrative division adjustment into cities in an orderly manner. We will grant towns with large immigrant populations and great economic strength the right of jurisdiction in line with their population and economic size. We will establish and improve a trans-regional urban development coordination mechanism.

We will help the eligible population to move away from agriculture and become urban residents. We will introduce new population management methods, accelerate the reform of household registration system, completely lift restrictions on new residence registration in administrative townships and small cities, relax restrictions on new residence registration in medium-sized cities in an orderly manner, lay down appropriate conditions for new residence registration in large cities, and strictly control the population size of megacities. We will steadily make basic urban public services available to all permanent residents in cities, and incorporate farmers who have registered as urban residents into the urban housing and social security network, and make sure their previous subscription to old-age insurance and medical insurance in the countryside continues in the urban social security system. We will establish a mechanism dovetailing fiscal transfer payment with the urbanized agricultural population, provide land for urban development with reasonable restrictions, and increase urban land use efficiency.

VII. Building a New Open Economic System

To adapt to the new trend of economic globalization, we must promote domestic openness together with openness to the outside world, better integrate the “bring in” and “go global” strategies, stimulate the orderly and free flow of international and domestic factors of production, highly efficient allocation of resources and in-depth market integration, and foster new advantages in participating in and leading international economic cooperation and competition at a faster pace, in order to promote reform through opening up.

24. Relaxing control over investment access. We will have the same laws and regulations on Chinese and foreign investment, and keep foreign investment policies stable, transparent and predictable. We will promote the orderly opening up of finance, education, culture, healthcare and other service sectors, lift limits on access for foreign investment in childcare, care for the elderly, architectural design, accounting and auditing, trade and logistics, electronic commerce and other such service sectors, and further liberalize general manufacturing. We will integrate and optimize customs special supervision zones at a faster pace. Establishing the China (Shanghai) Pilot Free Trade Zone is a major step that the CPC Central Committee has taken to deepen reform and opening up in the new circumstances; we must do a solid job of building and managing it to find new approaches to and accumulate new experience in deepening reform and opening up. Based on practice in the China (Shanghai) Pilot Free Trade Zone, we will select a number of qualified

areas and build them into free trade park (port) areas. We will expand both enterprise and individual investment overseas, establish themselves as foreign-investment entities, allow them to exploit their advantages in overseas investment cooperation, allow them to freely undertake engineering contracts and labor cooperation projects at their own risk in any country or region, and allow them to go global in an innovative way for greenfield investment, mergers and acquisitions, securities investment, joint investment, etc. We will expedite the signing of investment agreements with relevant countries and regions, reform the examination and approval mechanism for overseas investment, improve the consular protection system, provide more services such as rights protection, investment promotion and early warning of risks, and broaden the space for investment cooperation.

25. Speeding up the construction of free trade zones. We will keep to the world trading system and rules, persist in bilateral, multilateral, regional and sub-regional openness and cooperation, seek more converging interests with other countries and regions, and carry out the free trade zone strategy at a faster pace with neighboring countries as the basis. We will reform the management systems of market access, customs oversight, inspection and quarantine, and others, and accelerate negotiations on environmental protection, investment protection, government procurement, e-commerce and other such new fields, so as to form a global, high-standard network of free trade zones. We will open wider to and expand cooperation with the Hong Kong SAR, the Macao SAR and the Taiwan region.

26. Further opening up inland and border areas. Taking advantage of the present opportunity when world industries are restructuring, we will promote coordinated development of trade, investment and technological innovation in inland areas. We will innovate the processing trade patterns, and bring into being mechanisms and systems that are conducive to the development of inland industry clusters. We will support inland cities to start more international passenger and freight air routes and develop multi-form through transport, so as to form a “corridor” of foreign trade that traverses the eastern, central and western China, and links up southern and northern China. We will promote cooperation in customs clearance between inland areas and coastal and border areas, and strive to realize exchanges of information, mutual recognition of supervision and mutual assistance in law enforcement between port management departments. We will quicken the pace of opening up in border areas, and allow key ports, border cities and economic cooperation zones in

the border areas to have special methods and policies with regard to personnel exchange, processing and logistics, tourism and some other areas. We will set up development-oriented financial institutions, accelerate the construction of infrastructure connecting China with neighboring countries and regions, and work hard to build a Silk Road Economic Belt and a Maritime Silk Road, so as to form a new pattern of all-round opening.

VIII. Strengthening Building of the Socialist Democratic System

To develop socialist democracy, we must ensure the position of the people as masters of the country, uphold and improve the system of people's congress, the system of multiparty cooperation and political consultation under the leadership of the CPC, the system of regional ethnic autonomy, and the system of community-level self-governance. We will attach greater importance to improving the system of democracy and diversifying the forms of democracy, and expand citizens' orderly political participation in all levels and fields to give full play to the strength of the socialist political system.

27. Bringing the people's congress system in line with the times. We will uphold the position of the people as masters of the country, press ahead with innovation of the system of people's congress both in theory and practice, and give full play to the role of the system of people's congress as the country's fundamental political system. We will improve the socialist legal system with Chinese characteristics, and perfect the system of legislative drafting, argument, coordination and review to improve the quality of legislation and prevent regional protectionism and legalization of departmental interests. We will improve the system within which people's government, people's court and people's procuratorate are elected by, responsible to and supervised by the people's congress. We will improve the system under which major issues are discussed and decided by the people's congresses, and governments at various levels report to the people's congresses at the corresponding levels before major decisions are formulated. We will reinforce the functions of the people's congress in the examination and oversight of government budgets and final accounts, and oversight of state assets. We will implement the principle of taxation legitimacy. We will increase the contacts between the Standing Committee of the NPC and the NPC deputies, and give full play to the role of deputies. Deputy liaison offices and Internet platforms will be established in people's congresses to increase deputies' contact with the people. We will improve the working mechanism of people's congresses, widen channels for the public to participate in legislative work in an orderly

manner through discussion, hearing, assessment and publicizing draft laws; actively address social concerns through inquiry, investigation of specific problems, and putting on record for examination.

28. Promoting wide, multi-tiered and institutionalized consultative democracy. Consultative democracy is a unique form and distinctive advantage of China's socialist democracy and an important embodiment of the Party's mass line in the political field. We will, under the Party's leadership, carry out extensive consultations on major issues relating to economic and social development as well as specific problems involving the people's immediate interests, and conduct consultations before and during the implementation of policy decisions. We will build a consultative democracy featuring appropriate procedures and complete segments to expand the consultation channels of the organs of state power, committees of the Chinese People's Political Consultative Conference, political parties, and community-level and social organizations. We will conduct intensive consultations on issues relating to legislation, administration, democracy, political participation and social problems. We will strengthen the building of new types of think tanks with Chinese characteristics, and establish and improve the consultation system on decision-making. We will give full play to the important role of the united front in consultative democracy.

We will improve the political consultation between the CPC and non-communist parties, and listen to the suggestions of the latter parties and public figures without party affiliation. Based on the annual work priorities, the CPC Central Committee will draw up a yearly plan on which consultations will be conducted through conferences, heart-to-heart talks and symposiums. We will improve the system in which the central committees of non-communist parties make proposals directly to the CPC Central Committee. We will implement the Party's ethnic policies to safeguard the legitimate rights and interests of ethnic minorities, and consolidate and develop socialist ethnic relations of equality, unity, mutual assistance and harmony. We will make the Chinese People's Political Consultative Conference serve as a major channel for conducting consultative democracy, focusing efforts on making political consultation, democratic oversight, and participation in the deliberation and administration of state affairs institutionalized, standardized and procedure-based. Party committees, governments and the CPPCC at all levels will formulate annual work plans and have consultations on these plans, soliciting suggestions from the CPPCC on major decisions. We will improve the system of the CPPCC, specifying the contents and procedures for consultation. We will diversify the forms of consultative democracy, and more actively carry out consultations on

particular topics, and with specialists and representatives from all sectors of society, and with the relevant government departments on the handling of proposals, to improve the intensity and effectiveness of the consultations. We will improve the contact system of CPPCC members by setting up and improving the liaison offices.

29. Giving full play to democracy at the community level. We will open wider the channels for democracy and improve the system of community-level election, political discussion, information disclosure, duty reporting and accountability. We will exercise community-level consultative democracy in various forms and make it institutional. We will establish and improve supervision by urban residents and villagers, encouraging them to conduct self-management, self-service, self-education and self-oversight in exercising urban and rural community governance, in managing community-level public affairs and in running public service programs. We will improve the democratic management system in enterprises and public institutions with workers and employees' congress as its basic form, strengthen the building of the democratic mechanism in social organizations, and ensure employees' democratic rights in participating in management and supervision.

IX. Promoting the Rule of Law

To build a China under the rule of law, we must uphold the unity of the rule of law, law-based government and law-based administration, and the integral development of a law-based country, government and society as a whole. We will deepen reform of the judicial system, accelerate the building of a just, efficient and authoritative socialist judicial system to safeguard the people's rights and interests, and ensure that the people are satisfied with the equality and justice in every court verdict.

30. Protecting the authority of the Constitution and laws. The Constitution is the fundamental law guaranteeing the flourishing of the Party and long-term peace and stability of the country, and it has the supreme authority. We will further improve the supervision mechanism and procedure for the implementation of the Constitution and raise to a new level the comprehensive implementation of the Constitution. We will establish and improve the system within which the whole society is loyal to, abides by, upholds and applies the Constitution and laws. We will uphold the principle that everyone is equal before the law, and no organization or individual has the privilege of overstepping

the Constitution and laws; all acts in violation of the Constitution and laws must be investigated. We will establish a system of legal counsel universally, improve the review mechanisms concerning normative documents and major decisions, set up a scientific indicator system and assessment standard for legal system building, and improve review mechanisms concerning laws, regulations and normative documents. We will improve the law education mechanism and raise the public's awareness of the rule of law. We will gradually increase the number of major cities which have the right to make regulations.

31. Deepening reform of the administrative law-enforcement system. We will integrate major law-enforcement bodies, relatively centralize the law-enforcement power, press ahead with comprehensive law enforcement, and do our best to resolve problems such as overlapping functions and duplicate law enforcement to establish an authoritative and efficient administrative law-enforcement system with the integration of power and responsibility. We will reduce the hierarchy of administrative law enforcement, and allocate more law-enforcement resources to the primary level in such key areas as foodstuffs and medicines, production safety, environmental protection, labor security, and coastal areas and islands. We will straighten out the urban management law enforcement system, and improve the level of law-enforcement and service quality. We will improve the procedure of administrative law enforcement, specify areas of discretion, strengthen supervision over administrative law enforcement, and comprehensively implement the responsibility system as well as government funding for administrative law enforcement, in order to promote strict, standardized, fair and civilized law enforcement. We will improve the mechanism that dovetails administrative law enforcement and criminal justice.

32. Ensuring the independent exercise of the judicial and procuratorial power in accordance with the law. We will reform the judicial administration system, unify the management of staffs, funds and properties of courts and procuratorates below the provincial level and explore ways to establish a judicial jurisdiction system that is appropriately separated from the administrative divisions to ensure that the state laws are enforced properly and uniformly. We will establish a judicial personnel management system fitting their professional characteristics, improve the system for unified recruitment, orderly exchange and level-by-level promotion of judges, procurators and the police, improve the classified management system of legal personnel, and guarantee the job security of judges, procurators and the police.

33. Improving the mechanism for the use of judicial power. We will optimize the distribution of judicial functions and powers, improve the system of judicial power division, coordination, checks and balances, and strengthen and standardize the legal and social supervision over judicial activities. We will reform the judicial committee system, improve the responsibility system of handling cases by the presiding judge and the collegiate bench, by which the judges hand down verdicts and the collegiate bench is responsible for carrying them out. We will clarify the functions of the courts at all levels, and standardize their supervision through the judicial hierarchy. We will have more open trials, make the procuratorial work more transparent, and record and keep all court files. We will increase the persuasiveness of legal instruments and press ahead with publicizing court ruling documents that have come into effect. We must strictly regulate the procedures of sentence commuting, release on parole and medical parole, thereby enhancing the supervision system. We will extensively implement the people's assessor system and people's supervisor system to expand channels for the people to participate in legal affairs.

34. Improving the judicial system to protect human rights. The state respects and protects human rights. We will further standardize the legal procedures for sealing, sequestering, freezing and confiscating properties involved in a legal case. We will improve the mechanism for preventing and correcting wrong cases and the accountability system, prohibit extorting confession by torture, corporal punishment and maltreatment, and strictly implement rules that illegal evidences are not adopted. We will gradually reduce the number of charges that could lead to the death penalty. We will abolish Laojiao, or re-education through labor, improve laws for the punishment and correction of unlawful and criminal acts, and perfect the community correction system. We will improve the national judicial relief and legal aid system. We will improve the mechanism for protecting lawyers' rights to practice while punishing illegal practice, strengthen professional ethics and give full play to the important role of lawyers in safeguarding the legitimate rights and interests of citizens and legal persons in accordance with the law.

X. Strengthening Check and Oversight System of Exercise of Power

The fundamental solution to keeping power under control is to put power, government operations and personnel management under institutional checks to ensure that the people oversee the exercise of power and that power is exercised in a transparent manner. We must build a power-exercise mechanism featuring scientific decision-making, resolute enforcement and effective

oversight. We will improve a system that combats and prevents corruption, promote political integrity, and see to it that officials are honest, the government is clean, and political integrity is upheld.

35. Forming a scientific and effective mechanism to check and coordinate power. We will improve the leadership of the Party and the state, uphold the system of democratic centralism and give full play to the Party's role as the core of leadership. We will specify the responsibilities and scope of power for principal Party and government officials at all levels, scientifically set up the powers and functions of Party and government departments and their internal bodies, and clarify their responsibilities and tasks. We will strengthen and improve the checks and oversight over the exercise of power by principal leading officials, and enhance administrative and audit supervision. We will introduce a list of the powers of local governments and their working departments at all levels, and publicize the power-exercise process in accordance with the law. We will improve information disclosure in Party, government and other fields, so as to promote transparency in decision-making, management, services and results.

36. Be more innovative in creating mechanisms and institutions to combat corruption. We will strengthen the Party's unified leadership over the work of improving Party conduct, upholding integrity and fighting corruption. We will reform the Party's discipline-inspection system, improve the leadership system and working mechanism to combat corruption, and reform and improve the function of anti-corruption coordination groups at all levels. We will implement the system of accountability for improving Party conduct and upholding integrity under which the Party committees shoulder the major responsibility, and the Party commission for discipline inspection is responsible for supervision. We will work out and implement a feasible accountability system. Party commissions for discipline inspection at all levels should assist Party committees in strengthening Party building, organizing and coordinating anti-corruption work, strengthen supervision over Party committees at the same level and particularly over the standing committee members, so as to better play its role as an intra-Party supervision department. We should promote the Party's discipline inspection work in such a way that it is put under dual leadership, is specific, procedure-based and institutional, and enhance the leadership of Party commissions for discipline inspection of higher levels over the ones of lower levels. When it comes to investigation of corruption cases, we should leave this mainly to Party commissions for discipline inspection of higher levels, and the

related clue handling and investigation process should be reported simultaneously to the Party committee at the same level and the Party commission for discipline inspection at the next-higher level. Nomination and assessment of secretaries and deputy secretaries of Party commissions for discipline inspection at all levels will be conducted mainly by a Party commission for discipline inspection of a higher level together with the organization department. We will universally adopt the practice of dispatching resident discipline inspection offices by the Central Commission for Discipline Inspection to central-level Party and government organs which will have the same name and put under unified management. The discipline inspection offices will exercise their duty of supervision and report to the agency that dispatched them. We will improve the discipline inspector system at central and local levels, so that it covers all regions, all sectors and all enterprises and public institutions. We will make and improve laws and regulations on combating corruption and promoting integrity, improve laws and regulations relating to corruption prevention and punishment, preventing and managing risks to clean government, avoiding conflict of interests, leading officials submitting report about relevant personal matters and any assignment avoidance. We will experiment with publicizing personal information of newly appointed officials. We will improve democratic and legal supervision as well as supervision through public opinions, and apply and regulate Internet supervision.

37. Having systemic rules to improve work style. We will speed up institutional reform to fight formalism, bureaucracy, hedonism and extravagance. We will improve the system under which leading officials take the lead to improve work style and stay close to the community to conduct research, and perfect the system of keeping in close contact with and serving the people. We will reform the current practices of meetings and official documents, and the central government will take the lead in reducing the number and length of meetings and official documents. We will have a financial system that is strict in budgeting, approval and auditing, and focus on the control of the “three public expenses” (vehicle purchase and maintenance, overseas trips and official receptions) and building of government offices. We will improve the examination and accountability system of selecting and appointing officials, and make efforts to correct such erroneous practices as craving for official positions. We will reform the evaluation process for the performance of official duties and focus on solving the problems of completing projects for the sole purpose of showing off or boasting about their performance, as well as nonfeasance and misconduct. We will standardize and strictly implement the welfare system for leading officials, forbidding multiple ownership of residential

houses and offices, forbidding the supply of offices and residential houses that go beyond the standard, forbidding the equipment of official vehicles and arrangement of secretaries against regulations, and forbidding them to have guards or official receptions beyond the set standard. We will investigate and tackle any case where government officials receive benefits beyond the set standards. In addition, we will explore ways to establish an official residence system. We will improve and strictly carry out the regulations regarding leading officials' relatives engaging in business, holding public office, taking up positions in social organizations, or emigrating and settling in other countries, so as to prevent leading officials from seeking personal gain for their relatives and cronies through their power or influence. We resolutely oppose all tendencies to seek privileges.

XI. Promoting Innovation in Cultural Systems and Mechanisms

To develop China into a nation with a strong socialist culture and improve its cultural soft power, we must adhere to the orientation of advanced socialist culture and the socialist path of making cultural advances with Chinese characteristics, cultivate and practice core socialist values, consolidate the guiding role of Marxism in the area of ideology, and consolidate the common ideological foundation for the concerted endeavor for the entire Party and the people of all ethnic groups throughout the country. We will put people at the center of our work and give priority to social benefits, while integrating them with economic returns, so as to deepen the cultural reform by way of arousing the cultural creativity of the entire nation as the central task.

38. Improving the cultural management system. Following the principle of separating government administration from enterprise management and separating government administration from management of public institutions, we will make government departments turn from running to managing the cultural sector, and make Party and government departments straighten out their relations with their subordinate cultural enterprises and institutions. We will set up departments for Party committees and governments to oversee state-owned cultural assets, while integrating the management of people, affairs, assets and orientation. We will improve institutions and mechanisms that are conducive to upholding the correct orientation of public opinion. We will improve a linkage mechanism that integrates basic management, content management, industrial management, combats and prevents online criminal acts, improve the mechanism for dealing with online emergencies, and bring into being a framework of public opinion that combines positive guidance with management by law. We will integrate news media resources, and promote the

integrated development of traditional and new media. We will make efforts to institutionalize press releases, strictly carry out the professional qualification system for journalists, and attach more importance to application and management of new media, so as to promote orderly communication.

39. Establishing and improving a modern cultural market system. We will improve the market access and exit mechanism, encourage all types of market players to compete fairly, with the fittest surviving, and promote the flow of cultural resources across the country. We will continue to transform state-owned for-profit cultural institutions into business enterprises, and adopt for them corporate systems or shareholding systems at a faster pace. We will experiment in carrying out a system of special management shares in important state-owned media enterprises that have been transformed according to regulations. We will promote cross-region, cross-sector and cross-ownership mergers and acquisitions of cultural enterprises, so as to make the culture industry larger, more intensive and more specialized. We will encourage non-public cultural enterprises to develop themselves, lower the entry barriers for private capital, allow it to participate in international publishing and online publishing, and allow it to participate as controlling shareholders in restructuring and operation of state-owned film and television production companies and performing art troupes. We will support all types of micro and small cultural enterprises. We will allow separation of production from publishing and production from broadcasting on the precondition that the right to publish and right to broadcast are franchised. We will establish a multi-level market of cultural products and factors, and encourage financial capital, social capital and cultural resources to integrate with each other. We will improve the policies concerning cultural economy, increase government subsidies for the culture sector and government purchasing of cultural products, and strengthen copyright protection. We will improve the appraisal system for cultural products, reform the awards system, and bring out more high-quality cultural products.

40. Building a modern public cultural services system. We will establish a coordination mechanism for building a public cultural services system, make an overall plan for building a network of service facilities, and try to provide standard and equally accessible basic public cultural services. We will establish a public appraisal and feedback mechanism, and effectively meet the people's cultural demands with cultural projects for the people. We will integrate grassroots facilities for publicity and culture, education of Party members, popularization of science and fitness, and build comprehensive cultural service centers. We will clarify the functions and positions of different

cultural institutions, set up a corporate governance structure in each of them, and improve the performance appraisal mechanism. We will encourage public libraries, museums, cultural centers, science and technology museums, etc., to establish boards of directors to bring in representatives from relevant departments, professionals and people from all walks of life into their management. We will introduce a competition mechanism to promote the commercialized development of public cultural services. We will encourage social forces and private capital to join in the building of the public cultural services system, and foster not-for-profit cultural organizations.

41. Improving cultural openness. We will persist in government guidance with enterprises as the mainstay, market operation and social participation, expand international cultural exchanges, strengthen the international communication capacity and the international discourse system, and promote Chinese culture around the world. We will straighten out the mechanism for both domestic and overseas publicity, and support key media groups to develop both at home and abroad. We will foster export-oriented cultural enterprises, and support cultural enterprises to go abroad and expand markets there. We will encourage social organizations and Chinese-funded institutions to get involved in the construction of Confucius Institutes and overseas cultural centers, and to engage in programs for cultural and educational exchanges. We will actively draw on the fine cultural achievements of other countries, and bring in talent, technology, and operation and management expertise that can help our own cultural development. We will work hard to ensure the cultural security of our country.

XII. Promoting Reform and Innovation of Social Undertakings

In order to make sure that more fruits of development are shared by all the people in a fair way, we must accelerate the reform of social undertakings, satisfactorily resolve the most pressing and real problems of the greatest concern to the people, endeavor to provide the public with diversified services, and better satisfy the people's demands.

42. Deepening the comprehensive reforms in the area of education. We will carry out the Party's principles on education, continue to cultivate talented people with high moral standards, strengthen education in core socialist values and improve education in outstanding traditional Chinese culture, create effective forms and lasting mechanisms for the campaign of "enjoying study and labor and loving the country," and enhance students' sense of social responsibility,

innovativeness and practical abilities. We will intensify physical education and extracurricular activities to promote young people's mental and physical health. We will improve aesthetics education to raise students' aesthetic and artistic ability. We will vigorously promote educational equality, improve the financial assistance system for students from families with financial difficulties, and establish an effective mechanism to expand the coverage of high-quality education resources by means of information technology, so as to gradually narrow the gaps between different regions, between urban and rural areas and between different schools. We will make a balanced allocation of compulsory education resources between urban and rural areas, set unified standards for the construction of public schools, exchange principals and teachers among different public schools, and abolish the practice of establishing key schools or classes, so as to overcome the problem caused by choosing schools and reduce the academic burden on students. We will quicken steps in the development of a modern vocational education system, deepen the integration of production and education and cooperation between schools and enterprises, and train high-caliber workers and technical talents. We will make innovations in the mechanism of higher learning institutions that trains talents, encouraging them to strive for specialty and excellence. We will boost the reform and development of pre-school, special and continued education. In order to eradicate the drawback of "one's fate being determined by an examination," we will promote the reform of the examination and college admission system, explore an operational mechanism in which college admission and examination are separated to a certain extent, students have multiple opportunities in the college entrance examinations, colleges admit students independently according to law, professional institutions organize for the implementation, the government enforces macro control, and the society participates in the supervision. We will try to implement a school district system in which students enter the schools within their respective districts throughout their nine-year compulsory education without taking any examinations. We will promote academic proficiency tests and comprehensive quality evaluation in junior and senior high schools. We will intensify efforts to administer categorized tests and open admissions for vocational school entrance. We will gradually establish a comprehensive evaluation and diversified college admission mechanism based on the results in the unified national entrance examinations for regular institutions of higher learning and the proficiency test results in high schools. We will explore ways to reduce the number of courses in the unified national examinations, with a mixture of social and natural sciences, and have open-to-all foreign languages tests several times a year. We will try to unify credits among regular higher-

learning institutions, higher vocational schools and adult colleges, thus broadening the channels for lifelong learning. We will further push ahead with the separation of government administration, school management and educational evaluation, delegate greater power to provincial governments in making their overall educational development plans and to schools to make their own decisions about school affairs, and improve the internal governance structure of the schools. We will strengthen the state's function in supervising education, and entrust social organizations to carry out evaluation and monitoring of education. We will improve the systems of government subsidies, government services purchase, student loans, scholarships and incentive for donation to education, and encourage social funds to be channeled into education.

43. Improving systems and mechanisms that boost employment and business startups. We will set up a mechanism that links up economic growth and employment increase, and improve the responsibility system of the government in promoting employment. We will regulate human resource management, removing all institutional barriers and employment discrimination that affect equal employment, such as the birthplace of a person (cities or countryside), industries, social status and gender. We will improve preferential policies for business startups, so as to put into place a new mechanism under which the government gives incentive to, the enterprises support and the laborers are bold in starting new businesses. We will improve the public service system for employment that fares both urban and rural areas equally, and build a lifelong vocational training system for workers. We will strengthen the functions of the unemployment insurance system in preventing unemployment and boosting employment, and improve the employment/unemployment monitoring and statistics system. We will innovate the labor relations coordination mechanism, opening up channels for workers to effectively make reasonable appeals. We will promote the employment of young people, especially college graduates, and the employment of workers from rural areas, urban residents with financial difficulties and ex-service members. We will create more employment opportunities for college graduates during the process of industrial upgrading. The posts in public management and social services that the government buys shall be primarily used for the employment of graduates of higher-learning institutions. We will improve the service and security mechanism for encouraging college graduates to work at the community level, and increase the proportion of the posts in which they enjoy priority in the recruitment of civil servants and public institution employees. We will adopt policies to encourage more college graduates to start businesses on their own, and integrate and develop the entrepreneurship and employment

foundations for graduates of national- and provincial-level colleges. We will implement a plan for promoting the employment of college graduates who have left school but have not found jobs, include unemployed college graduates in employment-preparation activities, such as working as interns and skill training, and provide overall employment assistance to those with special difficulties.

44. Forming a reasonable and orderly distribution pattern of income. We will place emphasis on protecting labor income, strive to synchronize the increase of remuneration for labor with the growth of labor productivity, and raise the proportion of labor remuneration in primary distribution. We will improve the mechanisms of wage determination and regular growth, the systems of minimum wage and guaranteed full payment of wages, and the system of collective pay negotiation in enterprises. We will reform the salary, allowance and bonus system of government organs and public institutions, improve the growth mechanism of allowances for working in remote and border areas. We will improve the system in which the returns for capital, knowledge, technology, managerial expertise and other production factors are determined by the market. We will open up channels for investment and lease services, optimize the mechanism of return for investors of listed companies, and protect the legitimate rights and interests of the investors, particularly the medium and small investors, so as to increase the citizens' property incomes via various channels.

We will improve the regulatory mechanism of income redistribution mainly by the means of taxation, social security and transfer payment and enhance the regulatory role of taxation. We will set up a reasonable sharing mechanism of the earnings from transfer of public resources. We will improve the tax reduction and exemption system for charitable donations, so as to give full play to the positive role of charity organizations in helping the poor and needy. We will regulate income distribution procedures and improve the regulatory systems and mechanisms and policy system for income distribution, establish an individual income and property information system, protect legitimate incomes, regulate excessively high incomes, redefine and clear away hidden incomes, outlaw illegal incomes, increase the incomes of low-income groups, and increase the proportion of the middle-income group in society as a whole. We will strive to narrow the income gap between urban and rural areas, different regions and different sectors, thus gradually forming an olive-shaped distribution structure in the country.

45. Instituting a fairer and more sustainable social security system. We will adhere to the basic old-age insurance system that combines social pools with individual accounts, improve the

individual accounts system, complete the incentive mechanism in which those who contribute more will get more, guarantee the rights and interests of the insured, place basic old-age pension under unified national planning, and uphold the principle of balance based on actuarial mathematics. We will push forward the reform of the old-age insurance system for government organs and public institutions. We will integrate the basic old-age insurance and medical care insurance systems for urban and rural residents, and expedite the balanced development of the minimum living allowance system in both urban and rural areas. We will establish and improve a social security benefits calculation and regular adjustment mechanism that gives appropriate consideration to various groups. We will improve policies on the transfer and continuation of social insurance, extend insurance coverage to more groups of people, and reduce the social insurance premiums appropriately and in a timely manner. We will study and work out a policy to progressively raise the retirement age. We will speed up the improvement of a social security management system and service network. We will improve a housing security and supply system consistent with our national conditions, create an open and standard housing provident fund system, and improve the regulations on the withdrawal, use and supervision of the provident fund. We will improve a financial input system for and the budgeting system of social security. We will strengthen management of and supervision over investment of social insurance funds, and encourage the funds to be invested into diversified sectors in the market. We will enact preferential policies, such as tax exemption and deferral, and encourage the development of enterprise annuity, occupational annuity and commercial insurance, so as to bring into shape a multi-level social security system. We will respond actively to the aging of the population, quicken steps in the establishment of a social endowment service system and development of the service industry for the elderly. We will improve the caring service system for children, women and seniors left behind in the rural areas and a classified security system to protect the rights and interests of the disabled and children in difficulties.

46. Deepening reform in medicine and health care. We will proceed with a comprehensive reform in medical security, medical care, public health, and the medicine supply and regulatory system. We will deepen the comprehensive reform of grass-roots medical and healthcare institutions, and improve the network of urban and rural basic medical and healthcare services. We will accelerate the reform of public hospitals, ensure the government shoulders its responsibilities in this regard, and set up a scientific medical treatment assessment mechanism and a personnel

training and salary system suited to the characteristics of this sector. We will improve the rational modes of graded diagnosis and treatment, establishing a service contract between community doctors and residents. We will make full use of information means to promote the downward flow of high-quality medical sources, and strengthen the regional integration of public medical service resources. We will abolish the practice of raising medicine prices to make up for the shortfall in hospital funds, rationalize the prices of medical services and medicines, and establish an appropriate compensation mechanism. We will reform the methods of insurance payouts, and extend the medical insurance system to all the people. We will speed up the completion of the medical insurance and medical assistance system against fatal and serious diseases. We will improve the policies and mechanisms for the development of traditional Chinese medicine. We will encourage private funds to flow to medical services, first supporting them to flow to not-for-profit medical institutions. We will allow private funds to invest directly in services that are short of resources or are to meet diverse demands, and to participate in the reform and restructuring of public hospitals in various forms. We will allow doctors to work for more than one hospital, and allow private medical institutions to be included in designated medical insurance institutions. While persisting in the basic national policy of family planning, we will initiate a policy that allows married couples to have two children if one of the parents is a single child, and gradually adjust and improve the birth policy to promote balanced population growth in the long run.

XIII. Making Innovations in Social Governance System

To make innovations in social governance, we must direct our primary attention to safeguarding the fundamental interests of the broadest masses of the people, increase the factors of harmony to the maximum, invigorate social development and improve the social governance level, comprehensively promote the building of “China of law and order,” safeguard national security, ensure that the people live and work in peace and contentment, and that the society is stable and orderly.

47. Improving methods of social governance. We will persist in implementing system governance, strengthen leadership by the Party committee, give full play to the leading role of the government and encourage and support the participation of all sectors of the society, so as to achieve positive interaction between the government management on the one hand and social self-management and residents' self-management on the other. We will adhere to governance in

accordance with the law, strengthen the legal guarantees, and resolve social conflicts in line with the thought and approaches of the rule of law. We will persist in adopting a holistic approach in this work, strengthen moral restraint, discipline social behavior, adjust interest relationships, coordinate social relationships and solve social problems. We will persist in governing from the source, dealing with both the symptoms and root causes with the focus on the root causes, taking networked management and socialized service as our direction, improving grass-roots level comprehensive service platforms, reflecting and coordinating in a timely manner the interests and appeals of the people from all walks of life and at all levels.

48. Kindling the vigor of social organizations. We will correctly handle the relationship between the government and society, intensify efforts to separate government administration and social organizations, encourage the social organizations to clarify their rights and obligations, and enforce self-management and play their role in accordance with the law. Social organizations should be commissioned to provide public services that they are apt to supply and tackle matters that they are able to tackle. We will support and develop volunteer service organizations. We will achieve a true disconnection of trade associations and chambers of commerce from administrative departments, prioritize fostering and development of such social organizations as trade associations and chambers of commerce, scientific and technological associations, charity and philanthropic organizations, and urban and rural community service organizations. These organizations can directly apply for registration in accordance with the law when they are established. We will strengthen the management of social organizations and foreign NGOs in China, and guide them to carry out their activities in accordance with the law.

49. Innovating systems that can effectively prevent and solve social conflicts. We will improve social stability risk assessment mechanism for major policy decisions. We will establish an open and orderly mechanism under which people can express their grievances, psychological intervention is conducted, conflicts are mediated and rights and interests are guaranteed, so as to ensure that the problems of the people can be reported, conflicts can be resolved and the people's rights and interests can be guaranteed. We will reform the administrative review system, improve the mechanism for administrative review cases, and correct unlawful or improper administrative acts. We will improve the system under which mediation by the people, by an administrative organ and by a judicial organ functions jointly, and establish a comprehensive mechanism to mediate and

resolve conflicts and disputes. We will reform the system for handling complaints in the form of letters and visits, implement an online system for handling complaints in the form of letters and visits, and improve the mechanism to resolve the people's appeals on the spot and in a timely manner. We will settle complaints in the form of letters and visits that involve law violations and law suits by judicial means. We will establish the system for the conclusion of complaints in the form of letters and visits involving law violations and law suits in accordance with the law.

50. Improving the public security system. We will improve unified, authoritative food and drug safety oversight organizations, establish the strictest supervision rules that cover the entire process, establish a food production origin tracing system and quality labeling system to guarantee food and drug safety. We will deepen the reform of production safety management system, establish a potential danger inspection and management system and a safety prevention and control system to contain the occurrence of major accidents. We will improve the disaster prevention, reduction and relief system. We will strengthen comprehensive measures for public security, introduce multi-tiered prevention and control system for public security, and strictly guard against and punish all sorts of unlawful and criminal activities in accordance with the law. Adhering to the principles of active utilization, scientific development, law-based management and ensured safety, we will strengthen management of the Internet in accordance with the law, accelerate the improvement of leadership system for Internet management, and guarantee the country's Internet and information safety. We will establish the Council of State Security and improve the national security system and strategies to guarantee the country's national security.

XIV. Accelerating Ecological Progress

In order to promote ecological progress, we must establish complete and integrated institutions and systems, implement the strictest source protection system, damage compensation system and accountability system. We will also improve environment treatment and ecological restoration systems, and use set rules to protect the ecological environment.

51. Improving the system of natural resource property rights and the system of natural resource utilization control. We will carry out unified registration for natural ecological spaces such as rivers, forests, mountain ranges, grasslands, undeveloped land, tidal land, etc., so as to establish a natural resource property rights system with the property rights, rights and

responsibilities clearly defined and characterized by effective oversight. We will establish a spatial planning system, and draw control boundaries for production, living and ecological space utilization. We will implement a system for conservation of energy, water and land resources and for their intensive use. We will improve the national natural resource management system, unify the duties of the people who act as the owners of public natural resources. We will improve the natural resource oversight system and unify the power over national land and space utilization.

52. Delimiting the red line for ecological protection. We will unwaveringly implement the system of functional areas, establish the system of land and space development and protection, promote development in strict accordance with the functional definition of these functional areas, and establish the national park system. We will establish the mechanism to monitor and give early warning to the carrying capacities of resources and the environment, and implement restrictive measures for regions where water and land resources, the environment and oceanic resources have been excessively exploited. We will cancel regional GDP assessment for regions under restrictive ecological development and for national key counties for poverty alleviation displaying ecological fragility. We will explore ways to compile a natural resource balance sheet and implement natural resource audits when leading officials leave their positions. We will establish a lifelong accountability system for ecological and environmental damage.

53. Implementing sound compensation systems for use of resources and for damage to the ecological environment. We will accelerate pricing reform for natural resources and their products to give full expression to their market supply and demand, the extent of resource scarcity, ecological and environmental damage costs and restoration benefits. We will adhere to the principle that whoever uses the resources must pay for them, and that whoever pollutes the environment and damages the ecology must pay compensation, and gradually expand resource taxes to cover the possession and use of all natural and ecological resources. We will stabilize and expand the areas where farmland is converted back to forests and grassland, adjust the usage of farmland in heavily polluted areas or areas where underground water has been overused, and implement an orderly rehabilitating system for farmland, rivers and lakes. We will establish effective comparative pricing mechanism to regulate industrial land and residential land prices, and raise the price of land for industrial use. We will persist in the principle that he who profits should compensate, improve the ecological compensation mechanism for key ecological functional areas, and promote the

establishment of a horizontal compensation system between regions. We will develop the environmental protection market, implement a trading system for energy conservation, carbon emission, waste discharge and water usage rights, establish a market-oriented mechanism to attract private capital to ecological and environmental protection, and implement third-party treatment of environmental pollution.

54. Reforming the ecological protection management system. We will establish and improve an environmental protection system that strictly supervises the emission of all pollutants, and independently conduct environmental supervision and administrative law enforcement. We will establish a joint interregional mechanism for comprehensive land and marine ecosystem protection, restoration and pollution prevention. We will improve the operation and management system for the state-owned forest regions and press ahead with the reform of collective forest rights. We will publicize environmental information in a timely manner, improve reporting system, and strengthen social supervision. We will improve the licensing system for pollutant emission, and implement quantity control system for pollution emission by enterprises and public institutions. We will strictly implement the compensation system for those responsible for ecological or environmental damage, and investigate any criminal responsibilities in accordance with the law.

XV. Deepening Reform of National Defense and Armed Forces

Aiming at the goal of building up the people's armed forces that are loyal to the CPC, be able to win and uphold fine traditions under the new conditions, we will endeavor to resolve the prominent problems that constrain the development of national defense and the armed forces, be innovative in developing military theories, enhance military strategic guidance, implement correct military strategy for the new period, and build a system of modern military forces with Chinese characteristics.

55. Deepening the adjustment and reform of the military administrative setup and staffing. We will push forward the reform of military leadership system, optimize the functional structure and institutional setup of the Central Military Commission (CMC) departments, and improve the leadership management system of different services and arms. We will improve the joint combat command organizations of the CMC and the joint combat command mechanism of theaters, and push forward the reform of the system of training and logistics for joint combat operations. We will improve the leadership of new type of combat forces, and strengthen centralized management of IT

application in the military. We will improve the structure and command and management system of the Armed Police Force. We will optimize the size and composition of the armed forces, adjust and improve the ratios between the services and arms, between officers and soldiers, and between troops and military offices, and reduce the number of non-combat departments and staff. We will reform the task organization of the troops according to security needs and combat tasks in different directions, and accelerate the building of new-type combat forces. We will deepen the reform of military academies, and improve the new type of military personnel cultivating system consisting of school education, field training and vocational education.

56. Promoting adjustment and reform of military policies and systems. We will improve the military human resources policies and systems suited to the functions and tasks of the armed forces and national institutional innovation. A sound system of military personnel will gradually take shape with the establishment of a professional military officers system as the initial step. We will improve the system of civilian staff in the armed forces. We will improve the supporting policies for the reform of the systems of military service, sergeant service and placement of retired ex-servicemen. We will improve the management of military expenditures. We will establish a mechanism in which demands dominate planning and planning dominates resource allocation. We will improve the system of military expenditure and the logistics standard. We will deepen the institutional reform of military budget management, centralized payment, material procurement, and guarantee of military staff's healthcare, insurance and housing. We will improve military laws and regulations, and explore ways to improve the management of the armed forces.

57. Deepening the integration between the military and civilian sectors. To promote the integrated development of the military and civilian sectors, we will establish—at the national level—unified leadership, and institutions that coordinate between the military and local governments, link military demands to supplies, and share information. We will improve the national defense industry system and sci-tech innovation system serving national defense. We will reform the system and mechanism for the management of scientific research and production for national defense and armament procurement, and guide outstanding private enterprises into the fields of research, development, production and maintenance of military products. We will reform and improve the policies and systems for cultivating military personnel by relying on national education. We will open more areas of military logistics to ordinary enterprises. We will deepen the reform of national

defense education, improve the national defense mobilization system, and the system of conscription during peace time and mobilization during war time. We will deepen the reform of the militia reserve system, and adjust the management system of border defense, coast defense and air defense.

XVI. Strengthening and Improving the Party's Leadership in the Course of Comprehensively Deepening the Reform

To deepen reform comprehensively, we must enhance and improve the Party's leadership, ensure that the Party plays its role as the leadership core in exercising overall leadership and coordinating all efforts, build the Party into an innovative, service-oriented and learning Marxist governing party, and improve the Party's art of leadership and governance to ensure the victory of our reform.

58. All Party members should align their thinking and action with the decisions and plans of the Party Central Committee for deepening reform comprehensively; properly handle the relationships between the central authority and local governments, between the overall situation and situations of localities, between immediate interests and long-term needs; correctly understand the adjustment of interest patterns; fully promote intra-Party democracy; resolutely uphold the authority of the Party Central Committee; ensure that the decisions of the Party Central Committee are carried out effectively; and perseveringly implement the Party Central Committee's reform decisions and plans. The Party Central Committee has set up the Leading Group for Deepening Reform Comprehensively to be in charge of designing reform on an overall basis, arranging and coordinating reforms of different sectors, pushing forward reforms as a whole and supervising the implementation of reform plans. The Party committees at all levels should perform their duty of leadership in the reform, improve the scientific and democratic decision-making mechanism, and implement the reform measures by addressing major problems. We will strengthen the building of leading groups at all levels, improve the system so that officials can receive the necessary education and training and be tempered in practice, and enhance leading groups' and leading officials' capability in pushing forward reform. We will promote community-level Party building, improve the network of community-level Party organizations, bring into full play the role of community-level Party organizations in leading the Party members to devote themselves to reform. All Party members are encouraged to work hard on their posts to do their bit for deepening the reform comprehensively.

59. Deepening reform comprehensively requires forceful organizational and personnel support. We should adhere to the principle of the Party supervising the performance of officials, deepen reform of the system for the management of officials and personnel, build an effective, easy and practicable mechanism for the selection and appointment of officials, so that officials with outstanding performance in all respects come to the fore. We should ensure the Party organizations' leadership and oversight in the selection and appointment of officials. We will increase the authority and responsibilities of the Party committees (leading Party members' groups), leading officials in charge and organization departments in selecting, appointing and evaluating officials, reform and improve the officials' performance evaluation system, and improve the method of selecting officials competitively. We will improve the mechanism for training and selecting outstanding young officials, selectively use the methods of election and direct appointment in selecting officials, resolutely correct the practice of selecting officials merely by their votes or grades. We must put officials of all ages to the best use, and select those who are honest and upright, committed to our cause, diligent and pragmatic in serving the people, and not afraid of taking on responsibilities.

We will not select officials just from within the same department or sector, but will widen the vision and channel of selecting and appointing officials, and promote the cross-sectoral exchange of officials. We should get rid of the "official rank standard," encourage officials to be adaptive to promotion and demotion, appointment and resignation or retirement. We will implement a leading officials' accountability system, and place the ranks of officials under strict management. We will deepen the reform of civil servants based on the classification of their positions and duties, promote a system in which civil servants' positions match their rankings, and their rankings match their salary. We will speed up the establishment of a management system for technological professionals, administrative law enforcers and other government functionaries. We will improve the employment system of community-level civil servants, and appropriately lower the threshold for their employment in remote areas or areas with poor conditions.

We will create the best conditions to attract talent from all over the world. We will remove institutional and other barriers to smooth the channels for each individual to exercise to the full his or her potential and create space for outstanding individuals to put their talent to the best use. We will make policies and rules that allow the smooth flow of talent in Party and government

departments, enterprises and public institutions, and in every field of society. We will improve the incentive mechanism for people of talent to move to community-level positions and areas and posts with poor conditions, and to the frontlines of research and production. We should form an internationally competitive personnel system, improve the personnel assessment mechanism, increase the openness of personnel policies, and attract high-caliber personnel from overseas to start up business and pursue their careers in China.

60. The people are the mainstay of reform. We should uphold the Party's mass line, establish a social participation mechanism, fully give rein to the people's enthusiasm, initiative and creativity, and bring into full play the role of people's organizations such as trade unions, the Chinese Communist Youth League and women's federations to act in concert for advancing reform. We will encourage local governments, community-level organizations and the general public to make bold explorations, and strengthen pilot programs of important reforms, summarize experience in a timely manner, be tolerant to errors in the course of reform, enhance publicity and opinion guidance, and create a sound social environment for deepening reform comprehensively. All Party members should rally closely around the Party Central Committee with Comrade Xi Jinping as General Secretary, forge ahead with determination to tackle difficult problems, usher in a new chapter of the great cause of reform and opening up, strive to complete the building of a moderately prosperous society in all respects, continue to win new victories for socialism with Chinese characteristics, and realize the Chinese dream of the great revival of the Chinese nation!