CHAPTER 1

Marching Toward a New Phase of Development: Building a Moderately Prosperous (Xiaokang) Society

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Abstract

The decade following the Party’s 16th National Congress was marked by many outstanding achievements, one of which was faster growth of the Chinese economy than in any other decade. A new stage for the development of the Chinese economy and society will begin in 2012, when the national economy will grow rapidly and stably, commodity prices will be controlled well, employment will stabilize, and the progress of both the people’s livelihood and social construction will proceed smoothly. However, there still exist a number of problems and challenges. 2013 will be the first year of the thorough implementation of the spirit of the Party’s 18th National Congress. China will deepen systemic reforms and innovation, promote the sharing of the achievements of development by the people and growing wealthy together; promote social fairness and justice as well as social harmony, and will take the first step toward completely building a moderately prosperous [xiaokang] society.

Keywords

construction of the people’s livelihood – moderately prosperous society – xiaokang – fairness and justice

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In recent years, the development of the Chinese economy and society has been in a phase of rapid advance; it has made outstanding achievements of interest to the entire world. The Chinese domestic economy has grown to become the second largest in the world. China's export growth is first in the world. China's comprehensive national power is growing markedly. Commodity prices are stable. Citizen incomes and material culture living standards are on the rise. The social security system is being further improved. There remain many unstable, uncertain factors in the international economic and social environments, and there are still various problems and challenges within the operations of the domestic economy and society. The victorious convening of the Party’s 18th National Congress saw the proposal of the following tasks: completing the strategic task of building an overall moderately prosperous [xiaokang] society by 2020; clearer and more concrete demands for fairness and justice, growing wealthy together, and harmony; and promoting the development of the economy and society to enter a new stage.

1 Ten-Year Achievements of the Development of the Chinese Economy and Society

Over the ten years from the convening of the Party’s 16th National Congress in 2002 to the Party’s 18th National Congress in 2012, China successfully responded to such major challenges as SARS, the Wenchuan earthquake, the global financial crisis, etc. Over ten years of sustained rapid development, the economy and society made enormous achievements of interest to the entire world. The domestic economy grew rapidly. Comprehensive national power increased markedly. Both the people’s livelihood and social construction developed markedly. Reforms and innovations to social management institutions were promoted greatly. This symbolizes major progress for the task of constructing a modern socialist China and has laid a solid foundation for the overall construction of a moderately prosperous [xiaokang] society in China.

1.1 The Domestic Economy Grew 1.8-fold Over the Decade, Becoming the World’s Second Largest

Over the past ten years, the Chinese economy has maintained rapid, sustained growth. China’s GDP grew from 10.8 trillion yuan in 2001 to 47 trillion yuan in 2011, making it the world’s second largest. Based on 1978 fixed prices, China’s 2011 GDP was 2.77 times larger than the 2011 GDP, a 1.77-fold growth. Over the 30-plus years of growth since Reform and Opening, the period from 2002 to 2011 has been the decade of fastest economic growth. Based on 1978 fixed