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Issue Brief

China's 'Socialist Modernisation' Gains Momentum

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Summary

In 2017, the 19th National Congress of the Communist Party of China (CPC) announced that China's 'Socialist Modernisation' is to be achieved by 2035. Thereafter, all plenary sessions of the 19th and 20th CPC Central Committees streamlined their development plans and policies to pursue the goal of 'Socialist Modernisation'.

Introduction

The Fourth Plenary Session of the 20th CPC Central Committee (CPC CC) was held on 20–23 October 2025 in Beijing. It called on the Party, the military and the people to work together to achieve ‘Socialist Modernisation’. The Plenary Session ratified the 15th Five-Year Plan (2026–2030) for Economic and Social Development.¹ The Party called this five-year plan a critical one for laying the foundation for achieving socialist modernisation.

China’s ‘Socialist Modernisation’ and Fourth Plenary Session of the CPC CC

China’s ‘Socialist Modernisation’ includes the goals of modernising the Chinese people, promoting shared prosperity for all, advancing material and cultural-ethical development, etc.² Chinese socialist modernisation explores how to break free from the grip of capitalist globalisation and seeks a new path for human development. To achieve these goals, the 20th Party Congress in October 2022 set several objectives to be met by 2035. These included achieving per capita GDP comparable to that of a mid-level developed country, strong self-reliance in science and technology, building a modernised economy focused on high-quality development, and modernising national defence and the armed forces.³

The Communiqué of the 4th Plenary Session of the 20th CPC CC emphasises the promotion of high-quality development as the central theme, and reform and innovation as the fundamental driving force. Given the contemporary risks and challenges for China, the plenary session instructs the Party to take appropriate strategic tasks and measures for economic and social development.⁴

To achieve the goal of ‘Socialist Modernisation’, the Plenary Session advocated implementing the “Five-in-One” overall layout and the “Four Comprehensive” strategic layout. Introduced at the 18th National Congress of the CPC in 2012 by Hu Jintao, the “Five-in-One” is an approach to development that would include “economic construction (经济建设)”, “Political Construction (政治建设)”, “Cultural Construction (文化建设)”, “Social Construction (社会建设)”, and “Construction of

¹ [“The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China \(中国共产党第二十届中央委员会第四次全体会议\)”](#), Baidu, 2025.

² [“Socialist Modernization \(社会主义现代化\)”](#), Baidu, 2025.

³ [“Socialist Modernization with Chinese Characteristics \(中国特色社会主义现代化建设\)”](#), Baidu, 2025.

⁴ [“The CPC Central Committee convened a symposium with non-CPC members to solicit opinions on its proposals for formulating the 15th Five-Year Plan for National Economic and Social Development. Xi Jinping presided over the meeting and delivered an important speech \(征求对中共中央关于制定国民经济和社会发展第十五个五年规划建议的意见中共中央召开党外人士座谈会习近平主持并发表重要讲话\)”](#), *Xinhua News Agency*, 24 October 2025.

Ecological Civilisation (生态文明建设). Hu Jintao believed that the approach of “Five-in-One” to development was conducive to “the achievement of people-centred, comprehensively coordinated and sustainable scientific development”.⁵

Whereas the “Four Comprehensive” strategic layout put forward by Xi Jinping in 2014 serves as the Party’s overall guidance strategy for China’s development and the realisation of the “Chinese Dream” of national rejuvenation. The strategic layout of “Four Comprehensives” includes comprehensively building a moderately prosperous society, deepening reform, advancing the rule of law, and strictly governing the Communist Party of China.⁶ This strategic layout demonstrates the overall framework of the central leadership’s governance under Xi Jinping.⁷

15th Five-Year Plan for Economic and Social Development

The Fourth Plenary Session proposed the 15th Five-Year Plan for Economic and Social Development for a period from 2026 to 2030.⁸ The goals set for the next five-year period are to advance progress towards China’s ‘Socialist Modernisation’. Among the primary goals proposed at the Plenary Session are Building a Modern Industrial System, Building a Strong Domestic Market, Building China into a high-level scientific and technologically self-reliant country, Building a High-Level Socialist Market Economy System, Optimising Regional Economic Layout, High-level Opening-up to the outside world, Modernisation of National Security System, and Modernisation of National Defence and Armed Forces.⁹

Building Modern Industrial System

The Plenary Session re-proposed ‘Building Modern Industrial System’, which has been in practice since the 18th National Congress of the CPC in 2012, with successive developments during the 12th, 13th and 14th Five-Year Plans.¹⁰ For China, ‘Modern Industrial System’ means promoting intelligentization, greening and industry integration, and it should embody five major characteristics: “completeness, scale, diversity, density, and strength”. “Completeness” means possessing a complete,

⁵ David Bandurski, “[Five-in-One \(五位一体\)](#)”, China Media Project, 12 April 2022.

⁶ John Ross, “[Four Comprehensive Pillars of Xisms](#)”, *Beijing Review*, 1 June 2015.

⁷ “Four Comprehensives (四个全面)”, Baidu, 2025.

⁸ “[The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China](#) (中国共产党第二十届中央委员会第四次全体会议)”, no. 1.

⁹ “[Communiqué of the Fourth Plenary Session of the 20th Central Committee of the Communist Party of China](#)

(中国共产党第二十届中央委员会第四次全体会议公报)”, *Xinhua News Agency*, 23 October 2025.

¹⁰ Zhao Changwen, “[Accurately Grasping the Theoretical Connotation and Practical Requirements of Building a Modern Industrial System](#) (准确把握建设现代化产业体系的理论内涵和实践要求)”, *People’s Daily*, 7 November 2025.

autonomous, controllable and advanced industrial system that ensures sustainable development free from external constraints.

Second, “scale” means a large output industrial system. Thirdly, “diverse” means that economic activities must be diversified. Fourth, “dense” refers to the density of financial activities, and this dense industry should be able to meet the consumption needs of different social groups. Fifth, “strength” refers to the advanced level of the industrial system, which measures the industry's technological development and is closely related to the development of new-quality productive forces.¹¹

Xi Jinping, in his speech at the Fourth Plenary Session, said that China has the world’s most complete industrial system and that the country must effectively enhance the resilience and security of its industrial and supply chains. Since 2012, China has steadily promoted new industrialisation and made significant progress in building a modern industrial system. According to a People’s Daily report, in 2024, China’s manufacturing added value accounted for nearly 30 per cent of the world's total, amounting to 40.5 trillion yuan. China is producing over 70 per cent of the world’s lithium batteries and photovoltaic modules, and over 60 per cent of new energy and wind power equipment.

In recent years, China has built its industrial supporting infrastructure. In 2024, the added value of the “three new” economies (new technologies, new business models, and new industries) accounted for over 18 per cent of GDP. Furthermore, China has made significant progress in intelligent manufacturing technology and applications, and by 2024, it has built 421 national-level intelligent manufacturing demonstration factories, over 10,000 provincial-level digital workshops and smart factories, and more than 4,500 artificial intelligence enterprises.¹²

Building a Strong Domestic Market

To build a new development pattern and promote high-quality development, the CPC Central Committee and the State Council have proposed creating a national unified market. It aims to eliminate market segmentation and unify institutional rules to form a highly efficient, standardised, competitive and fully open market. The national unified market will create a symbiotic system that ensures benefit-sharing among enterprises, consumers and the state.¹³

The purpose of building a strong domestic market is to leverage China’s super-large market advantage and unleash its potential. The super-large market, with a complete

¹¹ Zheng Yongnian (郑永年), “[Building a Modern Industrial System and Chinese-Style Modernization](#) (建设现代化产业体系与中国式现代化)”, *Economic Daily*, 7 November 2025.

¹² Zhao Changwen, “[Accurately Grasping the Theoretical Connotation and Practical Requirements of Building a Modern Industrial System](#) (准确把握建设现代化产业体系的理论内涵和实践要求)”, no. 10.

¹³ “[National Unified Market](#) (全国统一大市场)”, Baidu, 2025.

domestic demand system, will lay a solid foundation for smooth domestic circulation and the building of a new development pattern. In recent years, China has leveraged its domestic market size advantage to accelerate the implementation of its strategy to expand domestic demand.

Secondly, China is optimising the investment structure. Efficient, high-quality investment is required to address inadequate infrastructure and high transaction costs. The idea is to expand consumption and promote investment. Thirdly, the uneven development between urban and rural areas is one of the obstacles hindering the construction of a unified domestic market. To overcome it, China is creating new growth poles and regional consumption centres in its central and western regions to further tap the market potential of these regions.¹⁴

Building China into a high-level scientific and technologically self-reliant country

Self-reliance in high-level science and technology is a systematic effort to improve China’s scientific and technological innovation capabilities.¹⁵ It is characterised by strong originality and leadership in science and technology, as well as substantial autonomy and security in key technologies. It will be a strong driving force for economic and social development. During the 14th Five-Year Plan (2021–2025), China’s scientific and technological strength reached a new level of innovation, generating new types of productive forces.

According to data released by the Ministry of Science and Technology in September 2025, in 2024, China’s total R&D investment exceeded 3.6 trillion Yuan, an increase of 48 per cent from 2020, and its basic research funding reached 249.7 billion Yuan, an increase of 70 per cent from 2020. The country has made significant progress in quantum technology, life sciences, materials science and space science. The Plenary Session proposed that over the next five years, China will further emphasise original and disruptive technological innovation, aiming to establish a complete chain from basic research to industrial application.¹⁶

Besides, the Fourth Plenary Session has proposed the construction of the ‘Digital China’ plan. The ‘Digital China’ plan was approved by the CPC Central Committee and the State Council in 2023. The plan aims to activate the potential of data elements, build cyber power, and construct the digital economy, digital society and digital government.¹⁷

¹⁴ Zeng Zheng, [“To Build a Strong Domestic Market, Three Major Potentials Must Be Unleashed”](#), *Economic Daily*, 2 April 2021.

¹⁵ [“High-level Self-reliance in Science and Technology \(高水平科技自立自强\)”](#), Baidu, 2025.

¹⁶ Wu Yuehui, [“The 15th Five-Year Plan mentions ‘science and technology’ 46 times \(‘十五五’规划建议, 46次提到“科技”\)](#), *People’s Daily*, 3 November 2025.

¹⁷ [“Digital China \(数字中国\)”](#), Baidu, 2025.

Furthermore, the Plenary Session proposed the “AI+” initiative to accelerate innovation in digital technologies, such as artificial intelligence (AI), and to strengthen the efficient supply of computing power, algorithms, and data.¹⁸ “AI+” is a concept and practice that deeply integrates artificial intelligence technology across industries and has already achieved large-scale applications in fields such as intelligent manufacturing, healthcare, financial services, transportation and government services. The State Council defined “AI+” as a core engine for cultivating new productive forces and setting three-stage development goals for 2027, 2030 and 2035.¹⁹

Building a High-level Socialist Market Economy System

The Fourth Plenary Session re-proposed “Building a High-level Socialist Market Economy System” by 2035, which was earlier proposed at the Third Plenary Session of the 20th CPC Central Committee in June 2024. In China, the socialist market economy system was established during the reform and opening-up process in the late 1970s, organically combining the basic socialist system with market mechanisms. This time, the proposal focuses on core areas such as market-based allocation of factors of production, protection of property rights, and fair competition. It emphasises coordinated efforts of an “effective market” and a “capable government”. It relies on liberating productive forces through a high-standard market system, modern economic governance and institutional openness.²⁰

A high-level socialist market economy system is an essential guarantee for China’s modernisation, writes the *People’s Daily* in November 2024. In his speech at the Third Plenary Session in June 2024, Xi Jinping emphasised that “We must focus on building a high-level socialist market economy system, deepen the market-oriented reform of factors of production, building a high-standard market system, and accelerate the improvement of basic market economy systems such as property rights protection, market access, fair competition, and social credit.”²¹

The Third Plenary Session proposed focusing on the relationship between the government and the market. Following the proposal, measures were implemented to support the development and growth of the private economy, including easing market access, reducing taxes and providing financial support. Significant progress is seen in this regard; in the first three quarters of this year, 6.191 million new private enterprises were established in China, and by the end of September 2025, the total

¹⁸ [“The Fourth Plenary Session of the 20th Central Committee of the Communist Party of China \(中国共产党第二十届中央委员会第四次全体会议\)”](#), Baidu, 2025.

¹⁹ [“Artificial Intelligence+ \(人工智能+\)”](#), Baidu, 2025.

²⁰ [“Socialist Market Economy System \(社会主义市场经济体制\)”](#), Baidu, 2025.

²¹ [“Building a High-Level Socialist Market Economy System \(构建高水平社会主义市场经济体制\)”](#), *People’s Daily*, 26 November 2025.

number of business entities in China reached 180.8648 million, accounting for 96.37 per cent of the total.²²

On the proposal of a high-level socialist market economy system, Peng Sen, former President of the China Society for Economic System Reform, allows the market to play a decisive role in the allocation of land, capital, labour, data and management, which will inject momentum and vitality into China’s high-quality development. He added that reforms should stimulate market vitality, planning should guide industrial direction, and the rule of law should regulate the behaviour of market entities and the government.²³

Optimising Regional Economic Layout

The Fourth Plenary Session proposed “Optimising the Regional Economic Layout” to leverage the regional coordinated development strategy and promote high-quality development. Earlier, “Optimising the Regional Economic Layout” was proposed at the 20th National Congress of the CPC in October 2022. The Report of the Party Congress deployed major strategies, namely, deeply implement the regional coordinated development strategy to balance development across different areas; the functional zoning strategy to optimise the spatial pattern of regional development, addressing challenges like environmental protection, resource allocation and regional inequality; and the New urbanisation strategy that seeks to create a sustainable urban-rural development path.²⁴

The Plenary Session proposed consolidating and enhancing the roles of the Beijing-Tianjin-Hebei region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area as driving forces for high-quality development. Specifically, this means strengthening the leading role of these urban clusters in technological innovation, financial opening up and the provision of platforms for high-end talent. Meanwhile, the Chengdu-Chongqing Twin-City Economic Circle and the Yangtze River Midstream Urban Cluster, among other central and western regions, are emerging growth poles providing space for talent, innovation and industrial expansion. The Plenary Session proposed further expansion of suburban railways and urban rail transit over the next 10 years to strengthen the modern transportation network and support coordinated regional development.²⁵

²² Ibid.

²³ [“Experts Offer Advice on Accelerating the Construction of a High-Level Socialist Market Economy System”](#) (专家献策加快构建高水平社会主义市场经济体制), China Development Gateway, 3 November 2025.

²⁴ [“Leveraging the Synergistic Effect of the “Four Major Strategies” to Enhance Regional Development Coordination | Interpretation of the Fourth Plenary Session of the 20th CPC Central Committee”](#), *21st Century Business Herald*, Tsinghua University, 24 October 2025.

²⁵ [“Optimizing Regional Economic Layout to Unleash Greater Domestic Demand”](#), *21st Century Business Herald*, 5 November 2025.

High-level Opening-up to the outside world

The term “high-level opening up” originated in a pre-National People’s Congress and Chinese People’s Political Consultative Conference report in 2021, and its core connotation encompasses a broader, more profound, and more comprehensive opening-up pattern achieved through free trade zone construction, international corridor connectivity and institutional innovation. Significant progress has been made in this regard. Guangxi has expanded its “four-dimensional collaborative” opening-up system via 61 cross-border land routes and 38 ASEAN air routes. At the same time, Shandong has achieved 221 outcomes from free trade zone reforms through institutional innovation. In 2024, the import and export volume of cross-border e-commerce reached 1.88 trillion Yuan, and China signed 23 free trade agreements with 30 countries and regions. The 2025 Government Work Report once again emphasised “expanding high-level opening up to the outside world” and called for improvements to the layout of the free trade zone.²⁶

The Communique proposed “expanding high-level opening-up”, emphasising “steadily expanding institutional opening-up, safeguarding the multilateral trading system, expanding international circulation, promoting reform and development through opening-up”. High-level opening up enhances the driving force of China’s modernisation. By attracting high-quality foreign investment, China not only gains funds and technology for modernisation but also accelerates the construction of a modern industrial system through spillover effects. The opening up provides China’s modernisation with an enormous market space.²⁷

Modernisation of the National Security System

The Plenary Session proposed advancing the modernisation of the national security system and capabilities to respond to various risks and challenges in serving and safeguarding Chinese Socialist Modernisation.²⁸ The overall national security concept guides the modernisation of the national security system and effectively addresses traditional and non-traditional security challenges. It serves to improve the legal system, reduce risk and implement control mechanisms.²⁹ Xi Jinping proposed modernising the national security system in his report at the 20th National Congress of the CPC in October 2022. He emphasised strengthening the coordination mechanism for national security work, improving the national security legal system,

²⁶ [“High-level Opening Up to the Outside World \(高水平对外开放\)”](#), Baidu, 2025.

²⁷ Liu Xiaoning, [“Expanding High-Level Opening-up”](#), *Guangming Daily*, 5 November 2025.

²⁸ [“Deeply Understanding National Security: A Crucial Foundation for the Steady and Long-Term Development of Chinese-Style Modernization \(深刻认识国家安全是中国式现代化行稳致远的重要基础\)”](#), *Xinhua*, 26 November 2024.

²⁹ [“Modernization of National Security System and Capabilities \(国家安全体系和能力现代化\)”](#), Baidu, 2025.

risk monitoring and the early warning system. He suggested comprehensive strengthening of national security education, enhancing leaders' ability at all levels to coordinate development and security, and improving national security awareness and literacy among all citizens.³⁰

Modernisation of National Defence and Armed Forces

“Modernisation of National Defence and Armed Forces” has been a part of the grand strategy of Chinese-style modernisation since the 18th National Congress of the CPC in November 2012. The Fourth Plenary Session has re-proposed “Modernisation of National Defence and Armed Forces”. However, the blueprint for modernising national defence and the armed forces was issued in the 14th Five-Year Plan (2021–2025).³¹ Later on, the Third Plenary Session of the 20th CPC Central Committee proposed that “national defence and military modernisation is an important component of Chinese-style modernisation”.

The blueprint outlines a three-step strategy for modernising national defence and the armed forces, with interconnected near-, medium- and long-term goals set for 2027, 2035 and 2049, respectively. So far, the organisational structure of the People’s Liberation Army (PLA) has undergone a significant transformation, and its force system has been reshaped. Now, the PLA has a new system, structure, pattern and look, laying a solid foundation for the modernisation of national defence and the armed forces.³²

Conclusion

In pursuit of ‘Socialist Modernisation’, the goals ratified under the 15th Five-Year Plan at the Fourth Plenary Session of the 20th CPC Central Committee are reciprocally influencing and interconnected. These eight goals relate to China's economic and social development and the strengthening of its national defence and armed forces. Scientific and technological advancement is a significant pillar that supports and drives the social, economic and defence pillars. The Chinese leadership has a big task to implement these goals in the upcoming 15th Five-Year Plan (2026–2030) and the 16th Five-Year Plan (2031–2035) to realise the goal of ‘Socialist Modernisation’ by 2035.

³⁰ [“Xi Jinping Emphasizes Modernizing the National Security System and Capabilities to Resolutely Safeguard National Security and Social Stability”](#) (习近平强调，推进国家安全体系和能力现代化，坚决维护国家安全和社会稳定)”, *Xinhua News*, 16 October 2022.

³¹ [“Ideological Front | Continuously Creating a New Situation in the Modernization of National Defense and the Armed Forces”](#), *PLA Daily*, 13 October 2025.

³² He Yiting, [“National Defense and Military Modernization: An Important Component of Chinese-Style Modernization”](#) (国防和军队现代化是中国式现代化的重要组成部分)”, *PLA Daily*, 15 November 2024.

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