

**CHINESE SOCIETY IN 2015:
DEVELOPMENT UNDER THE
“NEW NORMAL”**

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Executive Summary

1. The Chinese society is largely stable in 2015, despite the slower economic growth and the stock market crash thanks to strong job creation and steady income growth.
2. Terrorist attacks show no sign of abating in Xinjiang in 2015, mostly in southern Xinjiang and away from politically important cities. In contrast, Tibet is in a period of relative calm.
3. Social protests and labour disputes are still on the rise. In particular, environmental protests are surging in number. Thus far the Chinese Communist Party (CCP) has effectively prevented local protests from spreading and escalating into a political threat on a national scale.
4. China completes its 12th Five-Year Plan in 2015. A major task for the CCP is to work out a blueprint for the 13th Five-Year Plan (2016-2020). The Fifth Plenum of the 18th CCP Central Committee in November 2015 set the guidelines for the Plan.
5. The significance of the Fifth Plenum is two-fold. First, it proposes “innovative, coordinated, green, open and shared development” to facilitate its shift from high growth to medium-high growth.
6. Second, while the Third Plenum of 2013 prioritised market reform, the Fifth Plenum gives more attention to social development when setting the tone for the 13th Five-Year Plan.
7. The most notable policy change in 2015 is the decision to end the “one-child policy” and replace it with a “two-child” policy. It is likely that in implementation, the “two-child” policy could be further relaxed to render birth control redundant.
8. Poverty reduction is one of Xi Jinping’s priorities. Through measures of targeted poverty reduction and alleviation, China plans to lift all of the poor—70 million in 2014—out of poverty by 2020.

9. Xi also urges local governments to accelerate the *hukou* reform. To meet the urbanisation target set for 2020, China has to give urban *hukou* to 16 million migrant workers and their family members every year in the next five years. The progress so far has been slower than expected.
10. Overall, the CCP has reached consensus on the guidelines for the 13th Five-Year Plan. The shift towards “innovative, coordinated, green, open and shared” development would require more changes in government and society.