

**CHINESE SOCIETY IN 2017: ADDRESSING
UNBALANCED DEVELOPMENT**

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Executive Summary

1. By official statistics, China has performed well in 2017 in terms of job creation, inflation control and income growth. Notably, the Chinese Communist Party (CCP) has not been troubled by major disturbing incidents as in previous years.
2. The single most important event for China in 2017 is the CCP's 19th National Congress. Party General Secretary Xi Jinping unveiled China's roadmap to modernisation by 2035 and to a global leader in national strength and international influence by 2050.
3. Most notably, Xi declared that "socialism with Chinese characteristics has entered a new era". With this statement, the "principal contradiction" is redefined as "the people's ever-growing need for a better life versus unbalanced and inadequate development".
4. Indeed, Chinese aspirations and demands have changed with urbanisation and growing affluence. The middle class is spending an increasingly larger share of income on recreation, education, health care and the like.
5. In many ways, China has become a frontrunner in the world in trying out new ways of life, driven by the rising tide of "Internet Plus". The sharing economy, mobile payment, fast delivery and other changes are shaping the everyday life of the Chinese.
6. In 2017, China has introduced a number of major social policy initiatives. The most important one in education is the launch of the "Double World Class Project" to develop 43 "world class universities" and another 95 "universities with world class disciplines".
7. The most notable in social security is the decision that state-owned enterprises and financial institutions transfer 10% of their stakes to pension funds, one of the many measures to ensure a financially sustainable pension system.

8. Health-care reform remains one of the most difficult in China. Despite tremendous investment and efforts since 2009, an affordable, accessible and effective system is not in sight yet as of 2017.
9. After the 19th National Congress, addressing unbalanced development is likely to be the CCP's central task. The new mandate requires deeper and broader changes than those outlined in the CCP's roadmap up to 2050.
10. For one, the ideal of "people-centred development" remains weak and vague. It certainly fails to prevent the mass eviction of "low-end population" (migrant workers) sparked by a fire in winter Beijing.
11. For another, China continues the practice of concentrating resources and support on the best schools and hospitals. Without an overhaul, the biased mindset and practices in favour of the status quo will sustain unbalanced development at the neglect of the dignity and rights of the disadvantaged.