

**CHINA'S FIFTH PLENUM 2020:
FIVE-YEAR PLAN AND
LEADERSHIP SUCCESSION VOID**

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Executive Summary

1. The 19th Central Committee of the Chinese Communist Party (CCP) held its fifth plenum from 26 to 29 October 2020, which approved proposals on formulating China's 14th Five-Year Plan and a vision for development by 2035.
2. Amidst the COVID-19 pandemic and intensified tension with the United States, the focus of the plenum was on indigenous innovation and other domestic capabilities.
3. No major personnel decisions at the top level were announced at the plenum, thus no heir apparent for CCP General Secretary Xi Jinping has been identified.
4. As fifth plenums were often used to shed light on power succession, such a succession void sent a signal to the outside world that Xi would stay in power after the 20th Party Congress in 2022.
5. In contrast to the fourth plenum's communique in 2019, which emphasised "one country, two systems" for Hong Kong and Taiwan, the fifth plenum's communique had been toned down: there was no mention of the "one country, two systems" nor was there any reference to Taiwan.
6. The fifth plenum communique has emphasised the need for China "to actively build up a favourable external environment" (要积极营造良好外部环境). In anticipation of milder policies from the United States after its presidential election, the Chinese leadership is apparently ready to ease tension with the superpower and some of its strategic allies.
7. Although one of the goals for the 2035 vision is to lift the per capita gross domestic product (GDP) to the level of "moderately developed countries", the communique has not set any specific target for GDP growth in the next five years.

8. Jiang Jinqun replaced Wang Huning, the incumbent Politburo Standing Committee member, as the new director of the CCP Central Policy Research Office, which signified Xi's tighter grip on document drafting relating to policy and ideology.

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Five-Year Plan and 2035 Vision Focusing on Technology and Innovation

- 1.1 The 19th Central Committee (CC) of the Chinese Communist Party (CCP) held its fifth plenary session in Beijing from 26 to 29 October 2020. The plenum, which was attended by 198 CC members and 166 alternate CC members, reviewed and approved a proposal for formulating China's 14th Five-Year Plan (FYP, 2021-25) and a 2035 development vision with mid- and long-term goals.¹ Most notably, there is a strong focus on technology and innovation in the plenum's communique.²
- 1.2 At the plenum, no major personnel decisions at the top level were announced, implying that no heir apparent for CCP General Secretary Xi Jinping has been identified. Given the historical precedents that fifth plenums are often used to address power succession,³ such a void sent a signal to the outside world that Xi may seek a third term after 2022.
- 1.3 In contrast to the fourth plenum's communique in 2019, which emphasised "one country, two systems"⁴ with regard to Hong Kong and the Taiwan issue, the fifth

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¹ "Fifth plenum gets under way in Beijing", *China Daily*, <http://www.chinadaily.com.cn/a/202010/26/WS5f96482ca31024ad0ba80ec1.html>, accessed 26 October 2020. For the full text of the Proposal, please refer to http://www.gov.cn/zhengce/2020-11/03/content_5556991.htm, accessed 9 November 2020. The proposal is expected to become the official versions of the 14th FYP and the 2035 Vision soon, both of which need to be approved by the National People's Congress in March 2021.

² "China's Fifth Plenum: What You Need to Know", <https://thediplomat.com/2020/10/chinas-fifth-plenum-what-you-need-to-know-2/>, accessed 2 November 2020.

³ Xi himself became vice chairman of the Central Military Commission at the Fifth Plenum of the 17th CCP Central Committee in 2010, which confirmed his standing as a successor to CCP General Secretary Hu Jintao in 2012.

⁴ Chen Gang, "China's Fourth Party Plenum in 2019: Emphasising Governance Capacity Building Amidst Severe Challenges", *EAI Background Brief*, No. 1476, 15 November 2019.

plenum's communique had been toned down without mentioning "one country, two systems" or any reference to Taiwan. The fifth plenum communique states that there is a need for China "to actively build up a favourable external environment" (要积极营造良好外部环境).⁵ In anticipation of milder policies from the United States after its presidential election, the Chinese leadership is ready to ease tension with the superpower and some of its strategic allies.

- 1.4 Both the 14th FYP and 2035 Vision will be essential for China to avoid the "middle-income trap", a development stage in which a developing country attains a certain level of income but then stagnates and fails when it was unable to complete industrialisation and modernisation because it cannot progress from low-cost manufacturing to high-technology industries. According to the plenum's communique, by 2035, China should have "basically achieved" its goal of becoming a modern socialist country. This is well ahead of the previously planned year for achieving that goal in 2049, the 100th anniversary of the People's Republic of China.
- 1.5 The earlier target year for modernisation could be due to China's confidence in its economic growth. In separate comments, Xi said it was entirely possible that China could double the size of its economy by 2035, which would require an average annual growth rate of 4.7% over the next 15 years.⁶
- 1.6 Although one of the imperatives for the 2035 Vision is to uplift per capita GDP (gross domestic product) to the level of "moderately developed countries" (中等发达国家), or high-income countries,⁷ the communique does not mention any specific

⁵ "Communique of the 5th Plenum of the 19th CCP Central Committee", (in Chinese), http://www.xinhuanet.com/politics/2020-10/29/c_1126674147.htm, accessed 9 November 2020.

⁶ "Circling back", *The Economist*, Vol. 437, Issue 9219, 7 November 2020, pp. 56-57.

⁷ For the current 2021 fiscal year, high-income economies are those with a gross national income (GNI) per capita of \$12,536 or more in 2019, calculated using the World Bank Atlas method, https://datahelpdesk.worldbank.org/knowledgebase/articles/906519#High_income, accessed 9 November 2020. China's GNI per capita for 2019 was \$10,410, an increase of 8.21% from that of 2018, <https://www.macrotrends.net/countries/CHN/china/gni-per-capita#:~:text=China%20gni%20per%20capita%20for,a%204.16%25%20increase%20from%202015>, accessed 9 November 2020.

target for GDP growth down the road.⁸ Two factors could have accounted for this: China truly wants to transition away from an obsession with growth at all costs, or that the leadership is not certain about China's economic prospect amidst the unprecedented pandemic and confrontation with the United States. Previous FYPs often stressed quantitative growth targets like doubling (per capita) GDP every 10 years.

- 1.7 Amidst the COVID-19 pandemic and intensified tension with the United States, China is relying more on its indigenous innovation and other domestic capabilities. The 14th FYP, a strategic plan for the whole government, now centres around technological innovation, economic self-reliance and a cleaner environment. Since the beginning of 2020 the Chinese leadership has given particular emphasis to the “dual circulation strategy” (国内国际双循环),⁹ which stresses “domestic circulation” over “international circulation”, an export-oriented policy adopted since the 1990s that had fuelled China's growth and forged its economic connections with the outside world.
- 1.8 China's confidence in relying on domestic capabilities partially comes from the shrinking economic gap with the United States, the world's largest economy, as well as from its advancement in science and technology in the 13th FYP period (2016-2020) (Table 1). If China's economy maintains the same growth trajectory of recent years, a possibility which is not unfounded given its swift recovery from the coronavirus shock, it will surpass the US economy within the next decade.¹⁰

⁸ Some policy sources, however, revealed after the fifth plenum that China's policymakers were close to setting an average annual economic growth target of around five per cent for the next five years, a much lower growth target as global risks clouded the outlook, <https://uk.reuters.com/article/china-economy-target/china-considers-5-annual-gdp-growth-target-for-next-five-years-sources-idUKL4N2HQ2UV>, accessed 6 November 2020.

⁹ China's President Xi Jinping told National People's Congress delegates in May 2020 that China was pursuing a new development plan in which “domestic circulation (国内大循环) plays the dominant role” and “[f]or the future, we must treat domestic demand as the starting point and foothold as we accelerate the building of a complete domestic consumption system, and greatly promote innovation in science, technology and other areas”, <https://www.scmp.com/economy/china-economy/article/3085969/chinas-economic-strategy-shift-shows-xi-jinping-preparing>, accessed 27 October 2020.

¹⁰ “China's New Growth Plan May Push Economy Past U.S. Within Decade”, Bloomberg News, 26 October 2020, <https://www.bloomberg.com/news/articles/2020-10-25/china-s-new-growth-plan-may-push-economy-past-u-s-within-decade>, accessed 26 October 2020.

**TABLE 1 CHINA'S TECHNOLOGICAL AND SCIENTIFIC PROGRESS
(2016-2020)**

1.	China ranks 14th in Global Innovation Index.
2.	The only middle-income country included in the top 30 for years.
3.	The contribution rate of scientific and technological progress to economic growth reached 59.5% in 2019, up 4.2 percentage points from that of 2015. It is expected to meet its target of 60% in 2020.
4.	China's total expenditure on R&D (research and development) had grown from 1.4 trillion yuan in 2015 to 2.214 trillion yuan in 2019, up 56.3%.
5.	In 2019, 361,000 invention patents were granted to domestic users, ranking first in the world, up from 263,000 in 2015.
6.	China filed 59,000 international patent applications via the Patent Cooperation Treaty, twice that of 2015 to become the world's top patent filer.
7.	China also ranked second both in the number of scientific papers and total number of top-cited scientific papers.
8.	China has maintained the world's largest pool of R&D personnel for seven years. In 2019, it had a workforce of 4.61 million in R&D, an increase of 22.6% over 2015.
9.	China features 17 world-leading technology clusters, among which Shenzhen-Hong Kong-Guangzhou and Beijing rank world's second and fourth, respectively.
10.	By 28 September 2020, some 179 Chinese companies were listed on the science and technology innovation board, raising 267.8 billion yuan.
11.	Enterprises in China's 169 high-tech development zones achieved total revenue of 12 trillion yuan in 2019, accounting for over 10% of China's economy.
12.	Other advances included the successful launch of the Tiangong II space lab, commissioning of the deep-sea manned submersible Jiaolong, launch of the five-hundred-metre aperture spherical telescope Tianyan, the dark matter probe satellite Wukong, the quantum science satellite Micius, the test flight of the airliner C919, the full-scale global services provided by Beidou Navigation Satellite System and the first-ever soft landing on the far side of the moon made by Chang'e 4 probe, and the construction of over 500,000 5G base stations.

Source: *China Daily*.¹¹

- 1.9 The communique declared victory in meeting the goals of the previous five-year plan (Table 2), while acknowledging problems that China still faces, including persistent inequality between rural and urban residents, environmental pollution, inefficient social governance and lack of quality innovation.

¹¹ <http://govt.chinadaily.com.cn/s/202010/22/WS5f90f34b498eaba5051bc0a5/technological-and-scientific-progress-during-the-13th-five-year-plan.html>, accessed 26 October 2020.

**TABLE 2 FULFILMENT OF MAJOR TARGETS OF CHINA'S 13TH FYP
(2016-2020)**

	2020 Targets¹²	Fulfilment
GDP (trillion)	> 92.7	to reach 100 by 2020
urbanisation rate	60%	reached 60.6% by 2019
services industry's share in the national economy	56%	to reach 54% by 2020; goal not achieved
contribution rate of scientific and technological progress to economic growth	60%	59.5% in 2019, with the aim of attaining 60% by the end of 2020
new urban jobs added	>50 million	>60 million
Reduction of rural population living below poverty line	55.75 million	50.24 million by 2019
Reduction in carbon intensity (carbon emissions per unit of GDP)	18%	18.2% by end of 2019

Source: Compiled by the author according to China's 13th FYP, official media.

1.10 The communique emphasised “self-reliance in science and technology as the strategic support for national development”, vowing to make “major breakthroughs in key core technologies”, become a global leader in innovation and achieve “new industrialization, informatization, urbanization, and agricultural modernization”.¹³ Many of the long-term goals highlighted in the document were tech-oriented.¹⁴

Personnel Politics

2.1 At the fifth plenum, no major personnel decisions at the top level were announced, leaving the issue of leadership succession to Xi and Premier Li Keqiang open. Traditionally, fifth plenums were used to address power succession; this succession void sent a strong signal to the outside world that Xi could stay in power after the 20th Party Congress in 2022.

¹² China's 13th Five-Year Plan, <http://www.12371.cn/special/sswgh/wen/#15>, accessed 9 November 2020.

¹³ “Communique of the 5th Plenum of the 19th CCP Central Committee”, (in Chinese), http://www.xinhuanet.com/politics/2020-10/29/c_1126674147.htm, accessed 2 November 2020.

¹⁴ “China's Fifth Plenum: What You Need to Know”, <https://thediplomat.com/2020/10/chinas-fifth-plenum-what-you-need-to-know-2/>, accessed 2 November 2020.

- 2.2 Jiang Jinquan (江金权), the new director of the CCP Central Policy Research Office, made his debut on 30 October at a press conference for the fifth plenum. Jiang's predecessor, Wang Huning (王沪宁), had held the position since 2002 and served three paramount leaders, Jiang Zemin, Hu Jintao and Xi Jinping.¹⁵ For 18 years, Wang had been the chief adviser to the top leaders, and since 2017, he has been a Politburo Standing Committee member.
- 2.3 The Central Policy Research Office, the highest level think tank of the CCP, is dedicated to researching political theories and policies, and to drafting documents and work reports for the CCP Central Committee and its Politburo. Jiang was a member of the panel that revised the CCP Charter at the 19th Party Congress in 2017 when Xi's political thought, officially worded as Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, was written into the CCP Charter.¹⁶ Xi's grand strategy of the "Belt and Road" was also included in the Party Charter at that time.
- 2.4 Although Jiang was often considered the right-hand man of Wang Huning,¹⁷ his promotion signified Xi's tighter grip on document drafting relating to policy and ideology. According to the plenum's press conference, Xi chaired the drafting group of the 14th FYP. From March to October 2020, the main concept of the 14th FYP were formulated after Xi held two Politburo meetings, three Politburo Standing Committee meetings and two drafting group sessions.¹⁸
- 2.5 Provincial/ministerial leadership reshuffles normally precede CCP plenums. Prior to the fifth plenum, Shaanxi Provincial Governor Liu Guozhong (刘国中) became party secretary of Shaanxi, while Zhao Yide (赵一德) replaced him as governor of

¹⁵ "Jiang Jinquan – New Chief Advisor to CCP Leaders", <http://chinascoppe.org/archives/24946>, accessed 3 November 2020.

¹⁶ Chen Gang, "China's 19th Party Congress: Agenda-Setting and Power Reshuffling for Xi Jinping's New Era", *EAI Background Brief*, No. 1295, 30 October 2017, p. 1.

¹⁷ <https://www.caixinglobal.com/2020-10-30/former-disciplinary-official-to-head-partys-ideology-think-tank-101620804.html>, accessed 10 November 2020.

¹⁸ <https://www.macaubusiness.com/chinas-fifth-plenum-and-its-reinterpretation-of-socialism/>, accessed 3 November 2020.

Shaanxi. Xin Changxing (信长星), Wang Ning (王宁) and Sun Dawei (孙大伟) became governor of Qinghai province, governor of Fujian province and party group secretary of the people's political consultative conference of Guangxi autonomous region, respectively.¹⁹

2.6 Lan Tianli (蓝天立) was promoted to acting governor of Guangxi autonomous region. Lan received his PhD degree from Beihang University in Beijing. Yu Shaoliang (于绍良) was appointed as deputy party secretary of Shanghai. He was with the *Xinhua News Agency* for 30 years before he was transferred to act as chief of CCP organisation department in Hubei province. Chen Gang (陈刚), party secretary of the Xiong'an (雄安) New District of Hebei province, was promoted to deputy party secretary of Hebei province.²⁰

2.7 Meanwhile, Hu Henghua (胡衡华) and Wang Ruilian (王瑞连) became deputy party secretary of Shaanxi and Hubei provinces respectively, and Wang Mingshan (王明山) and Xu Kunlin (许昆林) became party standing committee members of Xinjiang and Jiangsu provinces. Hu Minglang (胡明朗), Xiang Libin (相里斌) and He Ping (何平) became vice mayor of Chongqing municipality, vice minister of science and technology and chief of *Xinhua News Agency*, respectively.²¹

2.8 China has been promoting a large number of technocrats at the ministerial/provincial level during Xi Jinping's tenure. Among these technocrats, those from industries such as petroleum or mechanical engineering were fewer in numbers than in the past; they were offset by those from the military, aerospace industries or other strategic new industries. Notably, some of these officials also have military-related science and technology backgrounds.

2.9 Liu Guozhong studied shell science in Huadong Institute of Engineering, predecessor of Nanjing University of Science and Technology, between 1978 and

¹⁹ http://district.ce.cn/newarea/sddy/202010/20/t20201020_35912606.shtml, accessed 3 November 2020.

²⁰ <http://renshi.people.com.cn/n1/2020/1023/c139617-31904072.html>, accessed 3 November 2020.

²¹ <http://renshi.people.com.cn/n1/2020/1023/c139617-31904072.html>, accessed 3 November 2020.

1982 before pursuing his postgraduate study in Harbin Institute of Technology. Jiang Jinquan graduated from Huazhong University of Science and Technology, while Lan Tianli received his engineering degree from Beihang University, previously known as Beijing University of Aeronautics and Astronautics. Zhao Yide was Youth League secretary of Zhejiang province before becoming deputy party secretary of Wenzhou city, Zhejiang between 2002 and 2007 when Xi was party secretary of Zhejiang province.

Plenums as CCP's Decision-making Platforms

- 3.1 According to the CCP charter, the five-year-term CCP Central Committee selected by the Party Congress is the Party's highest leadership body.²² During the five-year tenure, the Central Committee normally convenes seven plenary sessions in total (Table 3) where important policy directions and power reshuffles are approved and announced.

TABLE 3 AGENDAS OF EACH FIVE-YEAR TERM PARTY PLENUM

Plenum	Agendas
1st Plenum	Electing members of the Political Bureau, its Standing Committee and the CCP General Secretary immediately after the Party Congress
2nd Plenum	Proposing a list of candidates for the leadership of the state government and the National Committee of the Chinese People's Political Consultative Conference (China's top political advisory body) to the National People's Congress
3rd Plenum	Introducing the new leadership's broad socioeconomic and political reforms
4th Plenum	Discussing further improvements to the CCP's governing capacity
5th Plenum	Introducing the next Five-Year Plan for China's social and economic development
6th Plenum	Discussing ideological, social and cultural issues
7th Plenum	Discussing the work report drafted by the Political Bureau and setting a date for the next CCP Party Congress

Source: Compiled by the author.

- 3.2 Most CCP plenums are held in the final quarter of the year and the legislation of these decisions will be carried out in the subsequent quarter of the annual session of the National People's Congress, China's top legislature, scheduled in early March.

²² Article 10 of the CCP charter, <http://www.12371.cn/2017/10/28/ARTI1509191507150883.shtml>, accessed 9 November 2020.

- 3.3 The first two plenums of the Central Committee are normally held together with the quinquennial CCP Party Congress. Massive changes in economic policy and the launching of political reforms are to be revealed at the third plenum especially when there is a change in the country's leadership.²³
- 3.4 For Xi's second term as Party general secretary, the second and third plenums held respectively in January and February 2018 deviated from the conventional agenda-setting for these two plenums. The second plenum proposed amending China's constitution that included abolishing the two-term limit of the paramount leader, establishing supervisory commissions as a new type of anti-graft state organ, listing ecological advancement as a new function and power of the State Council, delegating legislative power to more cities and promoting harmonious relations among all ethnic groups.
- 3.5 The third plenum, which was traditionally used to discuss economic reforms, was held about eight months ahead of schedule; it approved a sweeping plan to merge Party and state institutions, and strengthen Party's grip over administrative, military and parliamentary apparatus.
- 3.6 After the third plenum, the Party has taken over the responsibilities of six State Council institutions previously dealing with matters concerning the civil service, the press and publication, film sector, ethnic affairs, religious affairs, overseas Chinese affairs, computer network and information security. At the Party level, four central leading groups made it to the Central Committees. The portfolios of these groups were (1) deepening overall reform, (2) cyberspace affairs, (3) financial and economic affairs and (4) foreign affairs, reflecting some of the top concerns at the Party level.
- 3.7 Since then, there was no plenum till October 2019 when the fourth plenum was back on track to discuss the CCP's governing capacity, a traditional agenda set for all fourth plenums (Table 2). The fourth plenum also mooted the legislation of a

²³ "Introduction to China's Plenary Sessions and the CPC Central Committee", *China Briefing*, 11 November 2013.

national security law for Hong Kong to deal with large-scale unrest in the Special Administrative Region.

- 3.8 During the interim, the Politburo and its seven-member Standing Committee, with fewer members but constituting the power core of the CCP Central Committee, have met more frequently than the Central Committee and make decisions on more specific and day-to-day affairs.

Fifth Plenums and Power Succession

- 4.1 Noticeably, fifth plenums in CCP history have often been used to deal with sensitive power succession issues. Xi himself became vice chairman of the Central Military Commission at the fifth plenum of the 17th CCP Central Committee in 2010, which confirmed his standing as a successor to CCP General Secretary Hu Jintao in 2012.
- 4.2 Mao Zedong joined the Politburo at a fifth plenum in 1934, paving way for his four decades-long leadership in the CCP. Hu Yaobang and Zhao Ziyang joined the Politburo Standing Committee at a fifth plenum in 1980, both of whom respectively became CCP general secretary in the 1980s. Deng Xiaoping retired from chairmanship of the Central Military Commission at the fifth plenum in 1989 and Jiang Zemin succeeded him as chair of the Commission.²⁴
- 4.3 Leadership succession is of paramount importance because whoever succeeds ultimately can make a great deal of difference to power sharing among different leaders and factions, and thus to the whole political system. Throughout CCP history, succession has been a source of occasional outbursts of intense and even disruptive strife; the Party-state so far had experienced four smooth successions since 1949 (from Mao Zedong to Hua Guofeng in 1976,²⁵ from Deng Xiaoping to Jiang Zemin in 1989, from Jiang to Hu Jintao in 2002 and from Hu to Xi in 2012).

²⁴ <http://cpc.people.com.cn/GB/64162/64164/4416141.html>, accessed 3 November 2020.

²⁵ Hua Guofeng was ousted by Deng Xiaoping from power pinnacle in 1981. Hua passed away on 20 August 2008.

- 4.4 Since the fifth plenum in 2020 did not announce any major personnel decisions at the top level, the succession void may indicate that Xi will have a third term after 2022. Chinese lawmakers have already approved amendments to China's constitution that included removing the term limit on the presidency and vice presidency, which paved the way for Xi to helm the Chinese state after two terms.