

**New Zealand Contemporary China  
Research Centre | Kōmaru Kura**

**匯  
報  
中  
國**

**CHINA REPORT  
2026**



匯報中國 *China Report* is an annual publication produced by Kōmaru Kura | the New Zealand Contemporary China Research Centre based at Te Herenga Waka—Victoria University of Wellington. The title *Huìbào* 匯報 means to *assemble information and compile a report*, in this case on China, one of the world's most diverse, vibrant and internationalised societies. China is the world's largest national economy by one standard, the foremost industrial power, a leading technological state, and a formidable military power. It is a non-liberal polity that is a protagonist in many of the international issues that have a direct bearing on New Zealand prosperity and security, including in the Pacific. *China Report* seeks to address these issues through Aotearoa | New Zealand-inflected research that takes seriously the Chinese world in its multiple dimensions. We encourage contributions that draw on the multi-disciplinary traditions of Sinology, New Sinology and China Studies. In this 2026 issue, the Centre's Senior Fellow, Peter Harris, assesses China's 15<sup>th</sup> Five-Year Plan and its broader planning processes to ask how effective the Plan will be in determining China's future policies.

Jason Young, Director  
Kōmaru Kura | New Zealand Contemporary China Research Centre  
April 2026

ISBN 978-1-99-115307-4

Published by the New Zealand Contemporary China Research Centre  
Te Herenga Waka—Victoria University of Wellington  
Wellington, New Zealand

2026 © New Zealand Contemporary China Research Centre

*Plenums and Plans in China:  
How well do they Lay the Groundwork  
for the Future?*

**Aotearoa | New Zealand  
(2026)**

**Peter Harris**

**Executive summary**

On 12 March this year (2026) China's latest Five-Year Plan was approved by its National People's Congress or parliament. Reactions to the Plan have been mixed. Within China many have praised it as a constructive, even pathbreaking step. Outside China some have doubted whether it represents much that is new, and whether it offers durable solutions to intractable problems. In fact, as we shall see, the Plan sketches out a framework for the coming five years that is sturdy in some respects and frail, even non-existent, in others.

The Plan is China's 15<sup>th</sup> since it began to employ five-year plans in 1953. Covering the years 2026 to 2030, the Plan is based on detailed guidelines drawn up by the Chinese Communist Party's Central Committee. These, in turn, are based on earlier priorities laid out by the Communist Party leadership at various forums. The Plan describes how China intends to push ahead with integrated high-quality development, including hi tech innovation and advanced artificial

intelligence, increase the country's self-reliance, especially in science and technology, improve Chinese people's wealth, health and well-being, and expand China's openness to the outside world despite countervailing trends.

All this will happen, President Xi Jinping has noted, at a time when major changes are affecting the international balance of power, and China may have to face 'rough seas or even raging storms'. This stormy weather evidently refers not only to the troubled condition of global affairs, partly the outcome of US foreign policy, but also to pressing issues that the Chinese Communist Party has to address domestically.

This paper seeks briefly to answer three questions. What is the nature of China's five-year plans and other planning processes? What does its new 15<sup>th</sup> Five-Year Plan tell us about the country's current priorities? And how effective will the Plan be in determining future policies?

## China's Five-Year Plans: from directives to guidelines

Many states do forward planning, often by sector. In New Zealand, for example, government departments have to publish briefings every three years looking at long-term prospects.<sup>1</sup> But comprehensive five-year plans have long been a speciality of Communist states.

The Soviet Union originally set the trend. Joseph Stalin based his country's economic development on successive five-year plans. The Chinese Communist Party, which in coming to power owed much to Soviet support, decided to adopt the Soviet model when it took over in 1949. Indeed it has been said that China's 1<sup>st</sup> Five-Year Plan, adopted in 1953, was drawn up 'half in Moscow, half in Beijing'.<sup>2</sup> This early model put the emphasis on detailed, quantitative state planning, designed to promote heavy industry funded in part by agricultural surpluses.

Even in the early decades of Communist rule China's five-year plans had an uneven history. They were interrupted by periods of radical policies pushed by the Communists' supreme leader Mao Zedong. This was so much so that after Mao's disastrous Great Leap Forward in the late 1950s, which resulted in widespread famine and disruption, national planning was stopped altogether for a time. Later planning was resumed, but during Mao's Cultural Revolution (1966-1976) it was implemented only fitfully.

Since China began its post-Mao 'opening up and reform' in 1979, five-year plans have become more regularised, and at the same time less prescriptive and less essential for economic development. By the 2000s detailed quantitative growth targets were coming to play less of a role than broader frameworks for policy priorities, supplemented by provisions for certain specific projects.

This change in emphasis was symbolised by the fact that in 2003 the Chinese National Planning Commission, originally based on the Soviet planning agency Gosplan, changed its name to the National Development and Reform Commission (NDRC). In doing so it absorbed the System Reform Commission, a think tank that had provided advice on marketising reforms, and gave up some of the stricter forms of planning.<sup>3</sup> Three years later the word 'plan' in the name Five-Year Plan was changed from *jibua* 计划 to *guibua* 规划, *guibua* being seen to have a broader, less specific sense of strategic guidance.

All told, these changes ushered in what the World Bank's former Country Director for China Bert Hofman has called 'market enhancing reforms'.<sup>4</sup> These reforms, still under way, have engaged with a mixed economy of public and private ownership that has a renewed emphasis on industrial policy. As such the economy is arguably becoming less amenable to prescriptive planning, and more dependent on flexible approaches to changing circumstances.

It may be relevant here to note that another large developing economy that

---

<sup>1</sup> My thanks to Alex Smith of the Asia New Zealand Foundation for drawing my attention to this.

<sup>2</sup> Naughton, Barry, *The Chinese Economy: Adaptation and Growth*; 2<sup>nd</sup> edition (Cambridge: Massachusetts Institute of Technology, 2018), 76.

<sup>3</sup> The full name of the System Reform Commission was National Commission for Reform of the Economic System, or *Ti gai wei* 體改委 for short.

<sup>4</sup> Hofman, Bert, 'Reflections on Forty Years of China's Reforms' (Washington DC: World Bank blogs, 1 February 2018).

moved away from socialist-style planning in the 1990s towards a much more mixed economy eventually gave up its five-year plans altogether. This was India, which dropped its long-running five-year plans in 2017. The Chinese Communist Party, rooted in its own old norms and practices, has evidently not considered taking this road.

### **Five-year plans and the bigger planning picture**

Before considering in more detail China's 15<sup>th</sup> Five-Year Plan, let's take a look at how the Plan fits into China's broader planning arrangements.

Chinese five-year plans have long been part of a more extended process of planning and strategising in which the Chinese Communist Party has played a central role. Seen from the outside it is sometimes hard to differentiate the different stages of this process, with one conference or meeting following another in bewildering succession.

One simple reason for this may just be a bureaucratic propensity for the Communist Party to hold meetings. No doubt there's some truth in the old Chinese saying, 'the Nationalists levy a lot of taxes, the Communists hold a lot of meetings'.<sup>5</sup> In fact, though, the many meetings involved in the Communist Party's planning process have more coherence than the old saying suggests.

When it comes to the 15<sup>th</sup> Five-Year Plan, at least four stages of work have been needed to bring it to completion.

1. The first was a full or plenary session of the Communist Party's Central Committee to make some preliminary preparations.

The Party's Central Committee is selected by the Party's quinquennial Congress and serves a five-year term. It meets in a plenum—that's to say, with all two hundred or so of its members—seven times during this five-year period. The third of these seven sessions is usually the one devoted to discussing future economic and social policy.<sup>6</sup>

True to form, the Third Plenum of the current (20<sup>th</sup>) Party Central Committee met for four days in Beijing in July 2024 and passed a 'Resolution' outlining the Communist Party's forthcoming economic and social priorities. Broadly speaking, these involved staying the course with policies formulated under Party and state leader Xi Jinping after he came to power as Party and state leader in 2012-2013.<sup>7</sup> They were also, in effect, the first stepping-stone to the 15<sup>th</sup> Five-Year Plan.

Of course this Third Plenum Resolution wasn't just put together from scratch. Presumably intra-Party bodies and the NDRC made a first draft of the Resolution and had it approved by Xi Jinping and other leaders prior to the plenum. How exactly this happened is unclear.

2. Building on this first stage, the second stage consisted of an elaborate consultation process. These consultations were to prepare more explicitly for the Five-Year Plan. They

---

<sup>5</sup> The saying, dating from pre-Communist times, is '*Guomindang shui duo, Gongchandang hui duo*' 国民党税多，共产党会多. The Guomindang or Nationalist Party ruled much of China in the early twentieth century before retreating in 1949 to Taiwan, where it is now the main opposition party. But the saying lingered on after that, and I first heard it in Hong Kong in the 1960s.

<sup>6</sup> The Central Committee is selected by the Party's national Congress, its principal national forum. Party Congresses take place every five years, and are numbered, with the most recent Congress (for the period 2022-2027) being the 20<sup>th</sup>. (The 1<sup>st</sup> congress was held in 1921.)

<sup>7</sup> This Centre published a paper analysing the Third Plenum in 2024. Harris, Peter, 'China's Third Plenum: Staying the Course with Xi Jinping' (Wellington: New Zealand Contemporary China Research Centre, September 2024).

got under way in January 2025, and lasted until October that year.

Xi Jinping has gone to some length to explain these consultations in some detail, and it may be useful to revisit what he said.<sup>8</sup>

To begin with, a working group was set up under Xi that drew on ‘a vast array’ of studies, surveys and opinions, with six research teams sent out to provinces and regions, and 35 research projects undertaken in Beijing. Four national symposiums were held and more than a million comments were reportedly condensed into some 1,500 suggestions.

In August a draft document was shared among senior Party officials, including senior retirees. August is usually the time when senior Party figures decamp to the seaside resort of Beidaihe east of Beijing, and no doubt the document was talked about there. At the final stage of drafting, the document was further revised at no less than five meetings of the Party’s two supreme bodies, the Central Committee Political Bureau and its Standing Committee.<sup>9</sup>

Two points about this four-stage process are worth remarking on. The first is that although five-year plans are ostensibly state—that is, government—affairs, in this case, at least, the Communist Party drove the entire consultation process, with Xi Jinping himself in the driving seat.<sup>10</sup>

The second is that despite their extensive scope the consultations must have been quite narrowly defined, even humdrum, since neither the draft document nor the resulting 15<sup>th</sup> Five-Year Plan contain many if any radical policy proposals. What might such proposals have been? They could for instance have included proposals to address unresolved issues of rural land ownership (in name still largely collective), downgrade ineffective state-owned enterprises (often still wasteful), or revalue the renminbi (thus helping to address China’s burgeoning external trade surpluses). As it is, in the constrained intellectual atmosphere of China today, there is no sign of anyone being confident enough to press for such issues to be considered.

3. In the third stage of the planning process, the draft consultation document was submitted to another Central Committee plenum. This was the Fourth Plenum of the 20<sup>th</sup> Central Committee, held in Beijing in October 2025.<sup>11</sup>

This Fourth Plenum issued a series of *jianyi* 建议, ‘Recommendations’ or ‘Proposals’, for the drafting of the 15<sup>th</sup> Plan. These recommendations were to form the substance of the Plan itself. The Plan as finally conceived was approved by the Chinese National People’s Congress (NPC)

---

<sup>8</sup> Xi’s account is in Xi Jinping, ‘Guanyu “Zhong Gong Zhongyang guanyu zhiding guomin jingji he shehui fazhan di shiwuge wunian guihua de jianyi” de shuoming’ 习近平，关于‘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的建议’的说明 [Xi Jinping, ‘Explanation of the Recommendations of the Central Committee of the Chinese Communist Party for Formulating the 15th Five-Year Plan for National Economic and Social Development’] (Beijing: *Xinhua*, 12 November 2025).

<sup>9</sup> The 20-plus-member Politburo and its 7-man Standing Committee led by Xi Jinping are at the apex of Chinese Communist Party authority.

<sup>10</sup> Xi Jinping clearly sees this extended consultation process as a model, since it has been enshrined in a new law passed by the National People’s Congress in March this year (2026).

<sup>11</sup> For many years it was the custom for the fifth of the seven plenums in the five-year cycle of plenums to discuss the coming five-year plan. In this instance, however, it was the fourth rather than the fifth plenum, evidently because the preceding third plenum had been unaccountably delayed. For possible reasons for the delay see Harris, ‘China’s Third Plenum’, 4-5.

five months later, at its annual meeting in Beijing in March this year (2026).<sup>12</sup>

In its final form the 15<sup>th</sup> Five-Year Plan has relied heavily on the Fourth Plenum's recommendations. It's worth noting that these recommendations were quite similar in structure to recommendations for the previous, 14<sup>th</sup> Five-Year Plan proposed by a Central Committee plenum five years earlier. In both cases the recommendations had 15 chapters comprising 60 sections. And in both cases there were similarities to the headings of the chapters, and indeed to parts of their contents.

While firmly based on the Fourth Plenum's recommendations, the structure of the new, 15<sup>th</sup> Five-Year Plan differs slightly from them, in that it has 18 rather than 15 chapters, and enlarges a little on certain issues, including self-reliance in science and technology, housing and aspects of people's livelihoods.<sup>13</sup> By and large, however, it adds details to the Fourth Plenum's recommendations but without deviating from their main topics.

### **China's 15<sup>th</sup> Five-Year Plan: problems and priorities**

So much for the elaborate preparations. What of the tone and contents of the 15<sup>th</sup> Five-Year Plan itself?

As you would expect, the tone of the Plan as a whole is resolutely upbeat. This tone is set at the outset, when the purpose of the

Plan as well as China's 'Long-term goals to 2035' is described as being:

*to elaborate the state's strategic intentions, clarify the government's work priorities, and guide and regulate the behaviour of social actors. It constitutes the magnificent blueprint for comprehensively building a modern socialist country during the '15th Five-Year' period, serving as the common action program for people of all ethnic groups throughout the nation.*<sup>14</sup>

In addition, the Plan is expected to help meet the aim of 'doubling per capita GDP by 2035 compared with 2020, and laying a solid foundation for reaching the level of a moderately developed state' by 2035—a familiar and often-repeated objective.<sup>15</sup>

That said, after giving an account of the achievements of the previous 14<sup>th</sup> Five-Year Plan, the initial part of the Plan deviates briefly from its upbeat tone by appraising the difficulties China and the Chinese economy are currently facing. This is the only time the Plan takes this more negative approach, and remarkably, its appraisal of China's present difficulties is relatively forthright.

Externally, the picture the Plan paints is a bleak one. 'Profound adjustments' are taking place in the international balance of power, geopolitical conflicts are widespread, unilateralism and protectionism are rising, great power competition is increasingly complex, and 'severe challenges' face the international economic and trade order. No particular power is mentioned, but judging from other recent statements the United

---

<sup>12</sup> The NPC or parliament is often called a rubber-stamp parliament, but although it is firmly controlled by the Communist Party and routinely endorses its decisions, the term rubber stamp does not quite do justice to the roles it plays, including in legislative planning and enactment.

<sup>13</sup> *'Zhonghua renmin gongheguo guomin jingji be shehui fazhan shiwu nian guihua gangyao'* 中华人民共和国国民经济和社会发展第十五个五年规划纲要 ['Outline of the 15<sup>th</sup> Five-Year Plan for the National Economic and Social Development of the People's Republic of China'] (Beijing: *Xinhua*, 13 March 2026). Although longer-term goals to 2035 are mentioned in the title, they do not feature much in the Plan itself.

<sup>14</sup> 15<sup>th</sup> Five-Year Plan (henceforth in these notes, 'Plan'), Preface.

<sup>15</sup> Plan, chapter 1, section 3. For the Plan, I translate *pian* 篇 as 'chapter' and *zhang* 章 as 'section' throughout.

States is regarded as being responsible for some of these problems, all of which, it's implied, will have an impact in one form or another on China.<sup>16</sup>

Domestically, the problems the Plan runs through are substantial. Admittedly, they are only a faint echo of Xi Jinping's gloomy description of the troubled condition of China and the Communist Party when he first took over as Party leader in 2012. At that point, Xi said, 'Many people, both in and outside of our Party, were worried about the future of the Party and the country...[there were] some deeply shocking cases of corruption, and [the economy was] imbalanced, uncoordinated and unsustainable'.<sup>17</sup>

Nonetheless, the new Plan's review of China's domestic difficulties is relatively extensive and frank. It refers to the economy being notably 'imbalanced and inadequate' (*bu pingheng bu chongfen* 不平衡不充分), a reprise of Xi Jinping's reference to economic 'imbalance' in 2012. It also refers to interconnected 'cyclical, structural, and institutional' problems, as well as domestic bottlenecks and a problem with strong supply but weak demand. Agricultural

modernisation is said to be lagging; there are pressures on employment and incomes; and new challenges are posed by changes in population structure (a reference, evidently, not to demographic decline but to rural-urban migration and aging populations). In addition to other 'hidden dangers' in key fields, there are serious risks still to be defused in real estate, local government and small and medium-sized financial institutions (a reference, it seems, to the local 'shadow banking' that often lies behind local government debt).<sup>18</sup>

One other pressing problem referred to not in the Plan, but by Xi Jinping last year (2025), is the pervasive influence of corruption. In a meeting of the Party's fearsome Central Commission for Discipline Inspection, a bulwark of Xi's power, Xi spoke in uncompromising terms about the extent and depth of corruption in China, referring to it as 'a grave and complex' problem, the eradication of which is 'a major struggle the Party cannot afford to lose' during the coming five years.<sup>19</sup> Coming from Xi these words are not to be taken lightly.

All told, these remarks in the Plan and by Xi amount to a useful appraisal of

---

<sup>16</sup> 'Other recent statements': see for example Foreign Minister Wang Yi's remarks to the press at the time of the National People's Congress in Beijing in March 2026, when Wang was obliquely critical of US activities in the Middle East. Chen Qingqing, 'Chinese FM addresses 21 questions, pitches China's diplomatic vision in era of uncertainty' (Beijing: *Global Times*, 9 March 2026).

<sup>17</sup> Xi Jinping, '*Gao ju Zhongguo tese shehuizhuyi weida qizhi wei quanmian jianshe shehuizhuyi xiandaihua guojia er tuanjie fendou—zai Zhongguo Gongchandang diershici quanguo daibiao dabuishangde baogao* 高举中国特色社会主义伟大旗帜 为全面建设社会主义现代化国家而团结奋斗—在中国共产党第二十次全国代表大会上的报告' ['Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects: Report to the 20<sup>th</sup> National Congress of the Communist Party of China'], Section 4, Part 1 (*Xinhua*, 25 October 2022). The phrase about an imbalanced economy refers back to a similar phrase famously used by the then premier Wen Jiabao in 2007.

<sup>18</sup> Plan, chapter 1, section 2

<sup>19</sup> Chen Li 陈理, '*Yi geng gao biao zhun geng shi jucuo tuijin quanmian cong yan zhi Dang wei shixian "Shiwu wu" shiqi mubiao renwu tigong jianqiang baozhang*', 以更高标准更实举措推进全面从严治党 为实现“十五五”时期目标任务提供坚强保障' ['Advancing the comprehensive and strict governance of the Party with higher standards and more concrete measures will provide a strong guarantee for achieving the goals and tasks of the "15th Five-Year Plan" period'] (Beijing: qstheory.cn, 13 January 2026). See also 'Xi urges advancing Party self-governance with higher standards, more concrete measures' (*Xinhua*, 12 January 2026). The Disciplinary Inspection Commission is both a Party and a government body, but its impetus comes from the Party. A body with untrammelled powers, it is Xi's principal weapon against corruption—and, some say, his adversaries. It can arrest and interrogate people incommunicado without legal constraints and for as long as it chooses.

some if not all of the unresolved issues China faces today. Several of these—insufficient demand, real estate problems, local government debt, and corruption—we’ll return to later.

### **The Plan’s contents, and its binding and non-binding targets**

The remaining 120 or so pages of the Five-Year Plan, often couched in turgid, even opaque, language, assume a more positive tone. They address seven major topics, as follows:

1. the development of a modern industrial system, with ‘new quality productive forces’ and greater self-reliance in science and technology (Chapters 1, 2, 3 and 4);
2. a ‘high-level’ socialist market economy with a well-developed domestic market, united but with regional clusters (Chapters 5, 6 and 9);
3. expanding ‘high-level’ opening up to the outside world (Chapter 7);
4. a lively, modernised rural economy (Chapter 8);
5. a new kind of Chinese culture, and health and prosperity for the people (Chapters 10, 11 and 12);
6. a ‘Beautiful China’, one that is increasingly green (Chapter 13);
7. a ‘National Security Shield’ complemented by an efficient, loyal military and effective policies towards Hong Kong, Macao and Taiwan (Chapters 14, 15, 16 and 17).

The Plan includes 22 callout boxes that list more than a hundred groups of projects, many of them qualitative but some of them more specific. These range from the general goal of upgrading rare earth materials to

more concrete aims such as completing high-speed rail lines between cities such as Hangzhou and Shanghai.

### ***Twenty key targets***

The Plan also gives prominence to a list of 20 ‘important targets’ (*zhuyao zhibiao* 主要指标). These are quantified, the only targets in the Plan that are. Eight of them are ‘binding’ (*yueshu xing* 约束性), while 12 others are ‘expected’ or ‘anticipated’ (*yuqi xing* 预期性), that’s to say non-binding. This is the same number of quantified targets as in the 14<sup>th</sup> Five-Year Plan, which also had eight binding and 12 non-binding targets. By comparison the 13<sup>th</sup> Five-Year Plan had 25 ‘important targets’, 10 binding and 15 non-binding. In other words, since 2016 the number of quantified targets, both binding and non-binding, modest to begin with, has grown smaller or stayed the same.<sup>20</sup>

Many of these 20 ‘important targets’ are either quantified only loosely or easy to achieve. To take just one example, life expectancy is expected (not bound) to rise from 79.25 last year to 80 in 2030, hardly a difficult goal. In a more significant target, GDP is expected (not bound) to increase steadily, but only ‘within a reasonable range...according to the situation each year’. In this case no specific percentage is given, thus allowing plenty of leeway for the lower GDP growth rates China is likely to have in the coming years, in marked contrast to the annual GDP growth rate in excess of 9% on average that it enjoyed between 1980 and 2010.<sup>21</sup>

By the way, a figure for GDP growth this year (2026) is not included in the Plan. It was left to Premier Li Qiang to announce in his report to the NPC in March that GDP

---

<sup>20</sup> Plan, chapter 1, section 3.

<sup>21</sup> See for example [www.macrotrends.net/datasets/global-metrics/countries/chn/china/gdp-growth-rate](http://www.macrotrends.net/datasets/global-metrics/countries/chn/china/gdp-growth-rate).

growth for 2026 would be between 4.5 and 5%.<sup>22</sup> This figure may well be on the high side, given persistent doubts about the accuracy of China's GDP data, doubts expressed not only by foreign observers but also by Chinese specialists. In December 2024, for example, the well-placed Chinese economist Gao Shanwen told a Princeton forum that given doubts about estimates of GDP growth in recent years, 'it might be more reasonable to expect a growth rate between 3% to 4%...for the next three to five years...[even though] the official number will always be around 5%.' (Later he was apparently censured for courageously making this remark.)<sup>23</sup>

### **A modern industrial system, including in hi tech**

Turning to the core of the Five-Year Plan, the first part of the Plan gives a high priority to China's determination to modernise existing industries, and also to develop new clusters of industry around emergent fields. In prescribing these newly emergent clusters the Plan repeats and enlarges on a central preoccupation of Xi Jinping's that dates back more than a decade to his first years in power, and even before that.<sup>24</sup>

According to the Plan, newly emergent clusters include IT (information technology), electric vehicles, robotics, new materials, biomedicine, high-end equipment and aerospace. The Plan also stresses the importance of 'key domains' for the future such as quantum science and technology, biological manufacturing, hydrogen energy

and nuclear fusion energy, brain-computer interfaces, embodied intelligence, and sixth-generation mobile communications.<sup>25</sup> All these new ventures should, the Plan stresses, develop in an economy whose internal barriers are to be removed so as to create a single national market.<sup>26</sup>

Also emphasised in the Plan are future investments in modern transportation and logistics, water supplies (north China in particular is suffering from a chronic water shortage) integrated computer and information systems, and new energy systems—meaning wind, solar, hydroelectricity and nuclear power, that's to say non-fossil fuels.

### ***New energy systems and the prospects for carbon neutrality***

It's worth noting here that the shift to 'new energy systems' involving non-fossil fuels is reflected in one of the Plan's 20 'important targets'. This is a binding commitment to increase non-fossil fuels in total energy consumption from 21.7 to 25% in the next five years. A related target is another binding commitment, this time to cut China's so-called carbon intensity—emissions per unit of GDP—by 17% over the same period.

These relatively low targets show that while moving gradually towards carbon neutrality over the next five years, China's economy will remain heavily dependent on

---

<sup>22</sup> Li Qiang, "'Zhengfu gongzuo baogao' quanwen 李强, '政府工作报告' 全文" ['"Report on the Work of Government", complete text'] (*Xinhua*, 13 March 2026).

<sup>23</sup> Huileng Tan, 'A top Chinese economist just said what many people suspected: China's official GDP figures may not be accurate' (*Yaboo!finance*, 14 December 2024). Lingling Wei, 'Xi Jinping Muzzles Chinese Economist who Dared to Doubt GDP numbers' (*Wall Street Journal*, 8 January 2025).

<sup>24</sup> For more on these precedents see for example Harris, 'China's Third Plenum', 8-9.

<sup>25</sup> Plan, chapter 2, section 5.

<sup>26</sup> Plan, chapter 4, section 5.

coal and to a lesser extent on oil and gas.<sup>27</sup> This will be of concern to those hoping for China's transition to green energy to sustain its recent momentum. In his report to the NPC in March Li Qiang sought to allay such concerns by saying that China would 'actively yet prudently work toward peaking carbon emissions and achieving carbon neutrality'. The operative word here is 'prudently', suggesting slow progress. Li gave no dates for these two goals, though several years ago Xi Jinping told the UN General Assembly that China would achieve them by 2030 and 2060 respectively.<sup>28</sup>

In the meantime China's energy prospects seem relatively secure, despite concerns about its continuing high dependence on coal. As for its oil and gas supplies, some three-quarters of which are imported, any loss of these because of the ongoing Iran war or other untoward events may be manageable, at least in the short- to medium-term, thanks to stockpiling and an ability to diversify energy sources.<sup>29</sup>

### **Self-reliance in science and technology**

Coming back to the Plan's prescriptions for industrial development, a separate chapter in the Plan, one that is not included as such in the Fourth Plenum recommendations, calls for breakthroughs in key areas of high-level science and technology. These are listed to include integrated circuits, high-end instruments, basic software, advanced

materials, and biological manufacturing, with self-reliance being stressed as a guiding principle.<sup>30</sup> The Plan also calls for concerted support for enterprises engaged in such activities, without specifying whether they should be public or private, and for collaboration among research centres, universities and enterprises so as to concentrate expertise.

After this, a chapter of the Plan is devoted to promoting innovation in digital and intelligent technologies, including 'AI+'—meaning the integration of artificial intelligence in and across industries—thereby securing 'revolutionary leaps in productivity'. It should be mentioned here that the application of AI+ to the defence sector will be a critical calculation for the Party—the military will be paying close attention to the growing use of LAWS (lethal autonomous weapons systems) in Ukraine and the Middle East—although this is not elaborated on in the Plan, either here or later on.<sup>31</sup>

### ***Possible obstacles***

The Five-Year Plan does not say so, but these ambitious goals—developing an advanced industrial system in a unified national market and promoting sci tech in a self-reliant way—will depend on the Communist Party overcoming several prospective problems.

The first is how to be effective in promoting cutting-edge technologies while preventing the dissipation or misdirection of effort. The Party has scored remarkable

---

<sup>27</sup> 'Underwhelming' is how one climate specialist is quoted as describing the targets. Emiliya Mychasuk, 'China sets cautious climate goals in five-year plan as coal remains core'. (*Financial Times*, 6 March 2026).

<sup>28</sup> Li, 'Zhengfu gongzuo baogao'. On Xi's statement to the UN General Assembly in 2020, see State Council Information Office, 'Carbon Peaking and Carbon Neutrality: China's Plans and Solutions' (*Xinhua*, 8 November 2025).

<sup>29</sup> For concerns about high dependence on coal see for example Moritsugu, Keri, 'Why China is building so many coal plants despite its solar and wind boom,' (*Associated Press*, 3 February 2026). For a helpful account of China's relative immunity from present-day oil shocks see Halper, Evan, 'Why China could emerge a winner from Trump's global energy shock' (*Washington Post*, 13 March 2026).

<sup>30</sup> Plan, chapter 3, section 8.

<sup>31</sup> There is a passing reference to 'new domain and new quality warfare capabilities' in the chapter on the military, but not much more. Plan, chapter 15, section 55.

successes in this regard, notably with EVs (electric vehicles), solar panels, etc., but now it seems to be prescribing rapid progress across a wider range of initiatives. Without further definition of priorities this wide range could become difficult to manage.

Another issue concerns whether the Party can really spur innovation by private entrepreneurs. The private sector has played a vital, and vitally creative, role in the Chinese economy. It's been said to account for over half China's GDP and most of its urban employment.<sup>32</sup> And it's been the leader in developing solar panels, EVs, telecommunications, and other cutting-edge initiatives, not to mention DeepSeek's remarkable open-source AI model, which shook hyperscalers in the US when it was launched in 2025.

But in recent years private entrepreneurs have suffered from the effects of enhanced Party control. This trend was symbolised a few years ago by the cutting down to size of Ant Group co-founder Jack Ma, after he incautiously criticised regulators for having a 'pawnshop' outlook towards risk-taking.<sup>33</sup>

There have been signs that the Party has been trying to reverse this trend. Last year, for example, Xi Jinping called for private enterprises to 'show their talents'.<sup>34</sup> Despite this, the Plan seems equivocal about the private sector's role. On the one hand it calls for an increase in the proportion of private

investment in the economy, and better mechanisms for private enterprise to take part in major construction projects. On the other, it repeats the formulation of the 14<sup>th</sup> Five-Year Plan and calls for state-owned enterprises (SOEs) and capital to be 'strengthened, optimised and enlarged.'<sup>35</sup> This probably won't sound good to the private sector. SOEs' inefficient hold on government resources has been a problem for decades, and the Plan makes it sound as if little is being done to loosen it.<sup>36</sup>

A third issue is whether China's development of AI and new computer technologies will be constrained by barriers imposed by the US, still the leader in the field. Concerns on this score helps explain why in this part of the Plan the emphasis is on self-reliance.

This third issue may perhaps be less salient than it was a few years ago. Despite continuing US claims of theft perpetrated by DeepSeek and others, Chinese AI and computer companies are arguably moving on from intense top-end competition with the US to focusing on what one analyst calls 'efficiency, adoption and physical integration', with cheaper, more efficient and more readily available AI models. At the same time, China's leading telecom company Huawei, earlier seen as dependent on US expertise, is developing its own advanced AI chips, albeit

---

<sup>32</sup> In 2021 Liu He, then Xi's most senior economist, claimed that the private sector contributed more than 50% of China's taxes, 60% of its GDP, 70% of its technological innovation, 80% of its urban employment, and 90% of its new jobs and firms. 'Chinese Vice-Premier Expresses Support for the Private Sector', (*Reuters*, 6 September 2021). The same statistics were cited last year (2025) in the semi-official China Daily. Cheng Yu, 'Private sector tech companies to drive growth', (*China Daily*, 4 March 2025).

<sup>33</sup> Jack Ma was eventually rehabilitated, at least partially. De Silva, João, 'What does Jack Ma's return to the spotlight mean?' (*BBC*, 21 February 2025).

<sup>34</sup> 'China's Xi urges entrepreneurs to "show their talents" in sign of support for private business', (CNBC, 16 March 2025).

<sup>35</sup> Plan, chapter 5, section 16; chapter 6, section 18.

<sup>36</sup> For the evolution of Chinese SOEs see for example Lin, Karen Jingrong and others, 'State-owned enterprises in China: a review of 40 years of research and practice', (*China Journal of Accounting Research*. Vol. 13 no. 1, March 2020).

not at the level of the US pathbreaker Nvidia.<sup>37</sup>

All this said, these are still early days, and it may be too soon to discern a lasting trend.

### **Boosting consumption, but also investment**

In recent years outside observers have urged China to increase domestic and especially household consumption as a means of addressing its burgeoning external trade surplus, which has reached record levels, and fending off deflation, a persistent danger given excess domestic supply. At China's most recent (December 2025) Central Economic Work Conference, an annual review of economic activities, expanding domestic demand was made a top priority. Its high priority was reaffirmed by Li Qiang in his report to the NPC in March.<sup>38</sup>

The Plan pays some attention to this issue, with a longer set of provisions for promoting domestic consumption than the 14<sup>th</sup> Five-Year Plan offered. These provisions include more and better-paid jobs, a stronger social security system, better management of the real estate market, improved services, including for elderly and child care, and better recycling arrangements for household and second-hand goods.

In the Plan these measures are, however, juxtaposed to investment, which

the Plan dwells on at some length. The Plan calls slightly ambiguously for 'new demand to be used to guide new supply, and new supply to be used to create new demand'.<sup>39</sup> So the impact of the Plan's proposed measures on domestic consumption remains to be seen.

It's worth noting in the context of 'new supply' that the Plan pays little explicit attention to the related issue of excess supply, often seen as an important reason for China's burgeoning trade surplus. There is only one mention in the Plan of 'involution', a term sometimes used in China to refer to competitive overproduction and excessive price competition, though a section of the Plan does address the need to promote a unified market and do away with local protectionism—an important step which, if taken, should curb the unnecessary duplication of production.<sup>40</sup>

### **Continuing problems in the real estate market**

One other way to improve domestic consumption would be to resolve the property crisis that has been affecting China in recent years. When China's huge real estate sector collapsed in 2021-2022 under the weight of grossly mismanaged debts, real estate may have accounted for as much as 60% of urban households' assets.<sup>41</sup> The collapse left millions of city dwellers much worse off. Having sunk much of their savings

---

<sup>37</sup> 'Theft': in the US, the leading AI company Anthropic recently claimed to have detected 'industrial-size distillation' of its expertise by three Chinese AI companies, DeepSeek, Moonshot and MiniMax. 'Detecting and preventing distillation attacks' (San Francisco: Anthropic, 23 February 2026). 'One commentator' Chan, Kyle, 'China is running multiple AI races' (Washington DC: Brookings, 9 March 2026). See also Edelman, R. David and others, 'How will AI influence US-China relations in the next five years?' (Washington DC: Brookings, 18 June 2025).

<sup>38</sup> Xinhua, 'Expanding domestic demand a top priority in 2026: Chinese economic official' (*Xinhua*, 16 December 2025). Li, 'Zhengfu gongzuo baogao'.

<sup>39</sup> Plan, chapter 5, sections 15, 16 and 17.

<sup>40</sup> On the need to address "'involutionary' competition' (*neizhuan shi' jingzheng* '内卷式' 竞争) to promote an orderly economy: Plan, Chapter 2, section 4. On the need for a unified market: Plan, Chapter 5, Section 17.

<sup>41</sup> In 2023 Xi's leading economist Liu He told an audience at Davos that in China the real estate sector accounted for 'nearly 40% of bank lending, 50% of overall local government fiscal resources, and 60% of urban household assets', and warned of 'systemic risks' if the property issue wasn't properly handled. World Economic Forum:

into new apartments and houses, many of them left incomplete after the property crash, they're still waiting for their real estate hardships to be overcome. The central government has encouraged local governments to take over and complete unfinished housing stock, but this remedial work still has some way to go. Until the property problem is solved it may not be easy to encourage affected owners to spend more on domestic goods and services.

While the Plan seems to acknowledge the problem, referring more than once to 'the risks in real estate', it appears to underrate its seriousness. The section of the Plan on real estate is tucked away in chapter 12, under the general heading 'people's livelihoods and common prosperity'. And the Plan's modest provisions to improve the real estate sector offer no comprehensive solutions. Moreover the Plan makes no reference at all to the property market collapse of 2021-2022, except perhaps obliquely, when it notes the need to:

*Support the satisfaction of reasonable real estate financing needs, powerfully and in an orderly fashion advance the sale of completed housing...[and] comprehensively grant cities government power over real estate market regulation and control, [while constructing] safe, comfortable, green, and intelligent "good housing."*<sup>42</sup>

So it seems the real estate issue has yet to be fully addressed.

## **Local government financing: further still to go**

The same applies to a related question that the Plan discusses, but only tangentially—local government debt.

To recap, local government debt accounts for a large part of the China's national debt. Much of the debt was incurred in the years prior to the 2021-22 real estate crisis, during which time local governments drew on revenue from property and infrastructure development to fund social services and other activities. While doing so they incurred heavy debts, borrowing in various opaque and poorly documented ways from shadow banks, notably so-called LGFVs (local government funding vehicles), particularly when the large state-owned banks no longer agreed to lend to them.<sup>43</sup>

Since the property market collapse, local governments have struggled to repay their debts, meet their costs and identify new sources of income. LGFV activities have been curbed, and in 2024 the central government authorised setting aside special-purpose bonds over a five year period to enable local governments to pay off hidden, primarily LGFV debt. By the central authorities' estimate this should reduce the size of local governments' hidden debts by five-sixths, though others claim this estimate is too optimistic.<sup>44</sup>

For the longer term there remains a pressing need for fiscal and tax reform to provide the right balance between central and local expenditure, and to secure local

---

'Special Address by Liu He, Vice-Premier of the People's Republic of China' (Davos: World Economic Forum, 17 January 2023).

<sup>42</sup> Plan, chapter 12, section 44.

<sup>43</sup> For a useful summary of the issues see Shih, Victor and Elkobi, Jonathan, 'Local Government Debt Dynamics in China', University of California San Diego, School of Local Policy and Strategy, 27 November 2023 at [china.ucsd.edu/\\_files/2023-report\\_shih\\_local-government-debt-dynamics-in-china.pdf](https://china.ucsd.edu/_files/2023-report_shih_local-government-debt-dynamics-in-china.pdf)

<sup>44</sup> Xinhua, 'China's top legislature approves bill to raise local gov't debt ceiling' (*Xinhua*, 8 November 2024). For a useful account of the debt issue see Chen Jing, tr. Yuen Kum Cheong, 'China's 10 trillion RMB debt clean-up falls short', (*ThinkChina*, 26 November 2025).

governments' revenue. In the shorter term the Plan provides for some measures to address the issue of local debt, including making improvements to centre-local fiscal relations, local government financing including hidden debt, taxation, and long-term debt management. But these are not concertedly addressed as a single issue. Instead they are subsumed under other measures designed to improve the 'social market' and national security—as if in the greater measure of things local government debt is not a major priority.<sup>45</sup>

### Other issues, including grain self-sufficiency

Other potentially contentious issues, including (a) demographic decline—China's population is predicted to decrease by up to 50% by 2100, with various knock-on effects—and (b) reform to the *hukou* or household registration system—many migrant workers are still registered as rural not urban residents and suffer deprivation as a result—are either barely mentioned in the Plan, or dealt with only in passing.<sup>46</sup>

One significant issue that is not overlooked in the Plan is the question of grain self-sufficiency. One of the Plan's eight binding targets is for grain capacity to be increased by 50 million metric tons by 2030.<sup>47</sup> This goal is consistent with projections outlined by Beijing in 2025. If it is achieved it will enhance China's ability to become self-

sufficient in grain, a goal that Xi Jinping evidently sees as critical to China's national security. (Current estimates suggest that while China is 90% self-sufficient in corn, wheat and rice, it still depends on imports of soy beans and other needed foodstuffs.)<sup>48</sup>

### National security and the military

This takes us to national security itself. The chapter of the Plan on national security, larger than the equivalent recommendation in the Fourth Plenum, takes a broad-brush approach to security and safety (the same word, *anquan* 安全, being used for both). It ranges from security from hostile foreign forces and during emergencies to security vis-à-vis food, energy, economic and 'networks', presumably cyber networks.

The Plan also addresses problems relating to the suppression of crime, including drug crimes. In addition it deals with the problem of local disputes, and extols the Fengqiao experience (*Fengqiao jingyan* 枫桥经验) as a means of resolving disputes at the community level. Mention of the Fengqiao model is troubling. It was favoured by Mao Zedong decades ago, but was subsequently sidelined until being revived during Xi's time. Named after a locality in Zhejiang province, where Xi was once Party secretary, it was part of the institutionalised practice of struggle, often violent, against so-called class enemies. As a hark-back to a harsher era, its re-emergence as a vehicle for

---

<sup>45</sup> Plan, chapter 5, section 16; chapter 6, section 20; chapter 14, section 52.

<sup>46</sup> Demographic decline is not mentioned as such in the Plan, let alone discussed. Further reform of the *hukou* system is mentioned several times, but not in detail. For demographic decline see for example the United Nations Department of Economic and Social Affairs, *World Population Prospects 2024: Summary of Results*, (New York: UN Department of Economic and Social Affairs, 2024), 19. For *hukou* reform a useful summary is Storey, Henry, 'Is China finally getting serious about hukou reform?', (Sydney: Lowy Institute, 7 September 2023). The Plan makes one interesting reference to why *hukou* reform is happening slowly. This is the need for reform to 'break through institutional barriers'—in other words, provincial or local opposition. Plan, chapter 6, section 19.

<sup>47</sup> Plan, chapter 1, section 3.

<sup>48</sup> Xinhua, 'Chinese agriculture poised for breakthrough in new quality productive forces' (*Xinhua*, 22 April 2025). Donley, Arvin, 'Xi: China must further increase grain output' (Kansas City: Sosland, World-Grain.com, 31 December 2025).

‘virtuous’ (*de* 德) local dispute resolution is incongruous, to say the least.<sup>49</sup>

When it comes to the field most germane to the Communist Party’s own well-being, safety and security from mass unrest, popular discontent and dissent, the Plan is uninformative.<sup>50</sup> All three have long been seen as prospective threats to Party rule, and nowadays information about them is routinely suppressed. For this reason, no doubt, the Plan pays them no attention. Nor does the Plan pay much attention to China’s formidable armed police, police and state security apparatus, cornerstones of Party power that from the Party’s point of view are critical for coping with discontent.<sup>51</sup>

As for more orthodox means of expressing disagreement with Party policies, the Plan reiterates the Party’s promotion of ‘whole-process people’s democracy’ (*quan guocheng renmin minzhu* 全过程人民民主), an opaque term that is in effect a euphemism for political activities confined to those that are under careful Party control.<sup>52</sup>

Finally, the Plan includes no discussion of the Party’s, and Xi Jinping’s future. Xi is now 72 and in his third five-year term as Party and state leader, but there is little evidence of preparation for his succession, though it’s possible the issue will be addressed at the next Party congress next year (2027).

### *Corruption in the PLA*

The Plan also includes a chapter on the PLA (People’s Liberation Army—a term used for the Chinese military as a whole). It provides for the PLA’s further modernisation by various means in time for its hundredth anniversary in 2027. But as with its treatment of dissent, the Plan is unforthcoming when it comes to a less salubrious aspect of the military—the anti-corruption purge that has been carried out in recent years among senior levels of military leadership.<sup>53</sup>

To recap, in what has been an unprecedented shake-up, over a hundred senior PLA officers have been removed or gone missing since 2022. They have included two ministers of defence, Wei Fenghe and Li Shangfu. In January 2026 China’s most senior general, Zhang Youxia, was put under ‘investigation into disciplinary and legal violations’, a common way of referring to corruption. With Zhang gone, China’s Central Military Commission, its top military body, now has just two members, one of the two being the Commission’s Chairman Xi Jinping.<sup>54</sup> This reduces it dramatically, indeed unprecedentedly, from its normal size of seven.

The Plan alludes to this extraordinary state of affairs only indirectly. It calls for ‘firmly upholding the Party’s absolute

---

<sup>49</sup> Wang, Vivian, ‘Xi Jinping’s Recipe for Total Control: an Army of Eyes and Ears’, *New York Times*, 25 May 2024.

<sup>50</sup> The Communist Party remains highly sensitive to a possible threat from so-called ‘colour revolutions’, popular uprisings that lead to the overthrow of authoritarian regimes. See for example the official report on Foreign Minister Wang Yi’s meetings with senior Vietnamese officials in Hanoi in March 2026, in which the danger of colour revolutions was explicitly raised. ‘Ministerial meeting of China-Vietnam “3+3” strategic dialogue held in Vietnam’ (*Xinhua*, 17 March 2026).

<sup>51</sup> Nowadays routinely suppressed: ‘mass incidents’ involving unrest, demonstrations, riots, etc. used to be officially documented, but in recent years they have no longer been officially reported. The most recent known ‘mass incidents’, publicised by unofficial sources, were demonstrations in Shanghai and other cities relating to Covid-19 policies in November 2022, which swiftly led to policy changes. Formidable state security: principally, the Ministry of State Security, an essential component of the Communist Party’s authority.

<sup>52</sup> Plan, chapter 16.

<sup>53</sup> Plan, chapter 15.

<sup>54</sup> Debate on these developments has been widespread. For a useful summary, see Lin, Bonny and others, ‘Assessing Xi’s Unprecedented Purge of China’s Military: Key Developments and Potential Implications’ (Washington DC: CSIS Center for Strategic and International Studies, 24 February 2026).

leadership over the military’ and ‘implementing the chairman responsibility system of the Central Military Commission’, improving the rule of law for the military, and deepening military-government unity.<sup>55</sup> The reference to the chairman responsibility system in particular is telling. The expression seems to be code for loyalty to Xi Jinping, Chairman of the Military Commission, and ‘trampling on’ the chairman responsibility system—that is, being disloyal to Xi—is one of the charges brought against General Zhang.

The implication here is not only that the military has been engaged in corrupt practices, but also that it’s been insufficiently loyal to Xi Jinping, and by extension, perhaps, the non-military leadership of the Party. Given that Xi has apparently expressed serious disquiet at the disloyalty of the Soviet Red Army when Soviet Communist rule collapsed in 1991, these are serious matters.<sup>56</sup> But in the Plan they are not addressed, at least explicitly.

### **Taiwan, foreign relations and trade**

The decimation of the PLA’s senior leadership has raised questions about its war-readiness, most notably with respect to Taiwan. Some have argued that military purges have reduced the PLA’s fitness for combat, others that the purges have opened the way for a younger, more capable and combat-ready generation of PLA leaders.

As for Taiwan itself, and Beijing’s intentions towards it, the Plan treats the Taiwan issue benignly, avoiding any mention of potential conflict, or of the military pressure the PLA is placing on Taiwan. Instead it refers to the peaceful development

of relations across the Taiwan Strait, and the promotion of cross-Strait cooperation and exchanges.

This comforting tone is at one with the tone of the Plan when it comes to China’s role in the world more generally. On the economic front, the Plan calls for ‘high-level opening up’, including through the Belt and Road programme, and for ‘an equal and orderly multipolar world and inclusive economic globalization’.<sup>57</sup> It calls for priority to be given to outward-reaching service industries and the internationalisation of the renminbi, with financial markets to be ‘cautiously’ expanded. It also calls for market access for foreign investors to be improved, and international trading rules and agreements, including aspects of the WTO (World Trade Organisation), to be further developed. Free-trade and special zones in China are to be developed, including in Hainan, as are ports and transcontinental rail networks.

The picture thus portrayed is of an economy positively engaged with the outside world in an unimpeded way, in contrast, it’s implied, to the impediments—tariffs and other obstacles—being put in the way of global trade by the Trump administration and others. There is no discussion of the concerns about China’s burgeoning trade surpluses and large domestic subsidies that have been expressed by some of its major trading partners, including the US and European Union. Nor is there any mention of China’s own use of trade and related sanctions, as employed in the past against

---

<sup>55</sup> Plan, chapter 15, sections 55-56.

<sup>56</sup> On Xi’s reported concerns, see for example Chan, Minnie, ‘Lessons learned: how the Soviet Union’s collapse led Xi Jinping to demand military loyalty’ (*South China Morning Post*, 12 October 2022).

<sup>57</sup> Plan, chapter 7.

Australia, South Korea and Norway, and as currently being applied to Japan.<sup>58</sup>

Going beyond trade, there is also no attempt to address criticisms of other aspects of China's foreign policy, including its assertive stance in the South China Sea, its tacit support for Russia in Ukraine, and its increasingly intrusive cyberespionage.

The Plan calls for the Global Development Initiative, Global Security Initiative, Global Civilization Initiative, and Global Governance Initiative to be put into practice so as to help build 'a community of shared future for humanity'.<sup>59</sup> These concepts, all closely identified with Xi Jinping and now a familiar element of Chinese diplomacy, are not discussed in any detail.

Echoing as they do longstanding Chinese attitudes, none of these brief statements on China's approach to foreign affairs breaks new ground.

## Culture

Finally, a few words should be added about what the Plan says about culture.<sup>60</sup> In its discussion of this topic, the Plan prescribes a culture for China that is healthy, positive and virtuous, both at the personal and the family level, one that portrays China to the outside world in a positive light.

More troublingly, the Plan calls for 'accelerating the construction of an independent knowledge system for Chinese philosophy and social sciences.' The meaning of the term 'independent' here is unclear. It may suggest a move away from internationally accepted tenets and norms in the study and application of the social sciences, and if so needs further justification.

Another cause for concern is that the chapter on culture, like the Plan as a whole, refers only to the 'mainstream culture' of China, and not to the country's constituent cultural parts. Apart from a couple of references early on in the Plan to it being 'a common action programme for people of every ethnicity in the whole country', and a passing mention of assistance for Tibet and Xinjiang, the Plan does not allude to China's 55 national minorities, or to their richly diverse Islamic, Buddhist and other cultures. Instead China is portrayed as a unified entity with a unified culture. This reductionist approach does not bode well for the cultural distinctness and resilience of Tibetans and Moslems, especially those in Xinjiang. Nor does it offer the positive consideration for oppressed minorities that their past and current treatment deserves.

## Conclusion

The economic and social planning process in China is extensive and protracted. One element of it, the Communist Party's Five-Year Plan, has evolved from being a Soviet-style instruction manual to being more of a vade mecum for Party cadres. Despite providing for some specific projects, it now scarcely deserves the name 'blueprint', the term the Communist Party still uses for it. Moreover it occupies an uneasy place in an economy that, despite the Party's overweening influence, remains a hybrid of private, market-driven forces and forces under state control. With the former now a leading component of China's development, national planning is bound to play a more circumscribed role.

---

<sup>58</sup> With regard to Japan, Beijing is objecting to Prime Minister Sanae Takaichi's unprecedentedly forthright commitment to Taiwan in the event of a conflict there.

<sup>59</sup> Plan, chapter 7, section 24.

<sup>60</sup> Plan, chapter 10.

China's planning process has other notable features. One is its relatively narrow conceptual framework. Truly adventurous ideas rarely seem to see their way through the planning mill. Another is its reluctance to address some of the more pressing difficulties China currently has to manage. China's latest, 15<sup>th</sup> Five-Year Plan is long—overly long, many would say—and broad-ranging. But it understates or overlooks a number of tough problems. These include the issue of chronic overproduction and its effect on international trade; the need for concerted fiscal and tax reform, partly to deal with lingering property problems and local debt; the consequences of demographic decline; and questions relating to Xi's and the Party's political future.

As such China's 15<sup>th</sup> Five-Year Plan, like its planning process as a whole, is a partial

guide, useful for predicting certain policies and practices but not others. At best it can be regarded as a vehicle for conveying some of the longer-term intentions of Xi Jinping and his colleagues, and in particular of Xi Jinping himself. Among these are Xi's devotion to high-end industrial development, including increased self-reliance in AI; his underwhelming interest in boosting domestic consumption; his support for the international trading system, though on China's terms; and his preference for solving critical problems in the military behind closed doors. Above all, the Plan reflects Xi's single-minded drive to forge a unified Party and country so that China can become a 'moderately developed' state by 2035.

## References

- Anthropic. *Detecting and Preventing Distillation Attacks*. San Francisco: Anthropic, February 23, 2026.
- Chan, Kyle. *China Is Running Multiple AI Races*. Washington, DC: Brookings Institution, March 9, 2026.
- Chan, Minnie. “Lessons Learned: How the Soviet Union’s Collapse Led Xi Jinping to Demand Military Loyalty.” *South China Morning Post*, October 12, 2022.
- Chen, Jing. “China’s 10 Trillion RMB Debt Clean-up Falls Short.” *ThinkChina*, November 26, 2025.
- Chen, Li 陈理. “以更高标准更实举措推进全面从严治党 为实现‘十五五’时期目标任务提供坚强保障。” Beijing: qsttheory.cn, January 13, 2026. [https://en.qsttheory.cn/2025-11/08/c\\_1138902.htm](https://en.qsttheory.cn/2025-11/08/c_1138902.htm)
- Chen, Qingqing. “Chinese FM Addresses 21 Questions, Pitches China’s Diplomatic Vision in Era of Uncertainty.” *Global Times*, March 9, 2026.
- Cheng, Yu. “Private Sector Tech Companies to Drive Growth.” *China Daily*, March 4, 2025.
- De Silva, João. “What Does Jack Ma’s Return to the Spotlight Mean?” *BBC*, February 21, 2025.
- Donley, Arvin. “Xi: China Must Further Increase Grain Output.” *World-Grain.com*, December 31, 2025.
- Edelman, R. David, et al. “How Will AI Influence US-China Relations in the Next Five Years?” Washington, DC: Brookings Institution, June 18, 2025.
- Halper, Evan. “Why China Could Emerge a Winner from Trump’s Global Energy Shock.” *Washington Post*, March 13, 2026.
- Harris, Peter. *China’s Third Plenum: Staying the Course with Xi Jinping*. Wellington: New Zealand Contemporary China Research Centre, September 2024.
- Hofman, Bert. “Reflections on Forty Years of China’s Reforms.” World Bank Blogs, February 1, 2018.
- Li, Qiang. “政府工作报告” [Report on the Work of Government]. Beijing: Xinhua, March 13, 2026.
- Lin, Bonny, et al. *Assessing Xi’s Unprecedented Purge of China’s Military: Key Developments and Potential Implications*. Washington, DC: CSIS, February 24, 2026.
- Lin, Karen Jingrong, et al. “State-Owned Enterprises in China: A Review of 40 Years of Research and Practice.” *China Journal of Accounting Research* 13, no. 1 (March 2020).
- Moritsugu, Keri. “Why China Is Building So Many Coal Plants Despite Its Solar and Wind Boom.” *Associated Press*, February 3, 2026.
- Mychasuk, Emiliya. “China Sets Cautious Climate Goals in Five-Year Plan as Coal Remains Core.” *Financial Times*, March 6, 2026.
- Naughton, Barry. *The Chinese Economy: Adaptation and Growth*. 2nd ed. Cambridge, MA: MIT Press, 2018.
- Reuters. “Chinese Vice-Premier Expresses Support for the Private Sector.” September 6, 2021.
- Shih, Victor, and Jonathan Elkobi. *Local Government Debt Dynamics in China*. UC San Diego, November 27, 2023.
- State Council Information Office. *Carbon Peaking and Carbon Neutrality: China’s Plans and Solutions*. Beijing: Xinhua, November 8, 2025.

Storey, Henry. "Is China Finally Getting Serious about Hukou Reform?" Lowy Institute, September 7, 2023.

Tan, Huileng. "A Top Chinese Economist Just Said What Many People Suspected: China's Official GDP Figures May Not Be Accurate." *Yahoo Finance*, December 14, 2024.

United Nations Department of Economic and Social Affairs. *World Population Prospects 2024: Summary of Results*. New York: United Nations, 2024.

Wang, Vivian. "Xi Jinping's Recipe for Total Control: An Army of Eyes and Ears." *New York Times*, May 25, 2024.

Wei, Lingling. "Xi Jinping Muzzles Chinese Economist Who Dared to Doubt GDP Numbers." *Wall Street Journal*, January 8, 2025.

World Economic Forum. "Special Address by Liu He, Vice-Premier of the People's Republic of China." Davos: WEF, January 17, 2023.

Xinhua. "China's Top Legislature Approves Bill to Raise Local Government Debt Ceiling." November 8, 2024.

Xinhua. "Chinese Agriculture Poised for Breakthrough in New Quality Productive Forces." April 22, 2025.

Xinhua. "Expanding Domestic Demand a Top Priority in 2026: Chinese Economic Official." December 16, 2025.

Xinhua. "Ministerial Meeting of China-Vietnam '3+3' Strategic Dialogue Held in Vietnam." March 17, 2026.

Xinhua. "中华人民共和国国民经济和社会发展第十五个五年规划纲要" *Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China*. Beijing, March 13, 2026.  
<https://english.news.cn/20260312/0ef4b16a6c734a58a7d8600c4e905aef/c.html>

Xi, Jinping. "关于〈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的建议〉的说明." Beijing: Xinhua, November 12, 2025.

Xi, Jinping. "高举中国特色社会主义伟大旗帜 为全面建设社会主义现代化国家而团结奋斗." Report to the 20th National Congress of the Communist Party of China. Xinhua, October 25, 2022.

"China's Xi Urges Entrepreneurs to 'Show Their Talents' in Sign of Support for Private Business." *CNBC*, March 16, 2025.

### **About the Centre**

The New Zealand Contemporary China Research Centre promotes knowledge and understanding of contemporary China in New Zealand through research, collaboration, and engagement. Based at Te Herenga Waka—Victoria University of Wellington, the China Centre partners with eight New Zealand universities to support research and courses on the political, economic, and social life of China today.

### **About the Author**

Peter Harris is a Senior Fellow of the New Zealand Contemporary China Research Centre at Victoria University of Wellington, where he was earlier Director of Asian Studies. Previously he was founding director of the Asia New Zealand Foundation, and served as the Ford Foundation’s Representative in Beijing. He also taught in China, at Sun Yat-sen University in Guangzhou and at Nanjing University, where he was a visiting professor. In addition he was a consultant on civil society for USAID and others in various parts of Asia.

Peter has written and translated numerous books and articles on Chinese affairs. His latest works are *The Empire Looks South* (2023), on imperial Chinese perceptions of Cambodia, and *Han Shan’s Cold Mountain Poems* (2024), a Penguin Everyman classic. His most recent publication with the New Zealand Contemporary China Research Centre was his paper ‘The Third Plenum—Staying the Course with Xi Jinping’ (September 2024).

Peter has a Ph D in Asian history from Monash University, as well an M Phil in international relations and a BA (Hons) in Chinese from the University of Oxford.

Te Herenga Waka | Victoria University of Wellington  
16 Kelburn Parade PO Box 600 Wellington, 6140 NEW ZEALAND  
+64-4-463 5760  
[chinacentre@vuw.ac.nz](mailto:chinacentre@vuw.ac.nz)  
[www.wgtn.ac.nz/chinaresearchcentre](http://www.wgtn.ac.nz/chinaresearchcentre)



VICTORIA UNIVERSITY OF  
**WELLINGTON**  
TE HERENGA WAKA

New Zealand  
Contemporary China  
Research Centre

KŌMARU KURA