



Common Prosperity Theory Innovation

Common prosperity is the essential requirement of socialism and the core goal and important feature of socialist modernization with Chinese characteristics, which embodies the value pursuit of Marxist political economy and is the basic constituent and important part of the theoretical system of socialism with Chinese characteristics. Since the founding of the People's Republic of China, successive generations of the central leadership of the Communist Party of China (CPC) have put forward the theory and concept of common prosperity based on the development requirements of the times. On the occasion of the triumphant completion of the goal of building a moderately prosperous society, General Secretary Xi Jinping put forward the general goal and task of common prosperity in the new era, starting a new journey for the Chinese people to build a common prosperous society.

2.1 COMMON PROSPERITY IS A VALUE REQUIREMENT OF MARXIST POLITICAL ECONOMY

The historical background of Marxism was the brutal exploitation of labor by capital at the beginning of the industrialization of Western capitalism. However, in today's highly technologically advanced human society, the gap between the rich and the poor is still a persistent problem in the major developed countries of the West and one of the basic causes of their social conflicts. At the same time, many developing countries still

face the difficult task of eliminating absolute poverty. In the history of the development of human society, narrowing the gap between the rich and the poor is an important issue to be considered in every era and in the development of every society. It reflects the fairness and justice of social distribution and is influenced by the income distribution system. The income distribution system is an integral part of the basic economic system of a country and is influenced by production relations. Although the realization of common prosperity in human society reflects the fairness and justice of social distribution, common prosperity is possible only at a certain stage of development and under a certain social system.

Under the socialist system, the basic principle of social distribution is ability and work-based. This is the concrete realization of the socialist public ownership system and the embodiment of the socialist principle of material interests, one of the basic symbols of socialism, but it is not the most ideal principle of distribution in human society. Marxist political economy holds that the result of income distribution is influenced by the relations of production, and the productive forces play a decisive role in the relations of production, so the system of income distribution is also influenced by the development of the productive forces. From the perspective of the development of productive forces, the practice of socialist construction in China for more than 40 years since the reform and opening up has proved that the socialist market economic system meets the requirements of the development of productive forces at the present stage, while the reality of the coexistence of multiple economic components determines that we can only implement the principle of distribution based on the distribution of labor as the mainstay and the coexistence of multiple distribution methods.¹

Common prosperity is the social ideal pursued by Marxism. According to the vision of Marx and Engels, with the further development of the productive forces, “production will aim at the prosperity of all”² is the characteristic feature of the new society in the future. Thus, it is clear that common prosperity is a basic goal of Marxism and a fundamental objective of our Party in leading the people in the socialist revolution,

¹ See, Xu Guangchun, ed., *The Dictionary of Marxism*, Wuhan: Changjiang Media and Chongwen Publishing House, 2018, pp. 193–194.

² *Marx/Engels Collected Works*, Volume VIII, Beijing: People’s Publishing House, 2009, p. 200.

construction, reform, and opening up, and the new era of socialism with Chinese characteristics.

In fact, China is still in the primary stage of socialism, with a large population and unbalanced development in urban and rural areas, it is extremely difficult, long-term, arduous, and complicated to achieve the goal of common prosperity for more than 1.4 billion people, and there are no ready-made answers or successful precedents. We cannot make a “great leap forward,” but only through a step-by-step approach, accumulating small victories into big ones, from quantitative to qualitative changes.

“Common prosperity is the basic requirement of socialism and an important feature of Chinese-style modernization.”³ Common prosperity is the ideological foundation and goal of the CPC’s efforts to build the Party for the public and govern for the people. As the once poorest and most populous country in the world, how China can lead all its people to achieve common prosperity is the core goal and main line of the CPC’s long-term governance. However, given the historical starting point of a large population and a very low level of productivity development, the CPC has different constraints and conditions at different stages of development, as well as different development goals, policy systems, and social practices to achieve the grand goal of common prosperity for everyone.

2.2 THE VISION OF COMMON PROSPERITY AT THE EARLY STAGE OF THE FOUNDING OF THE PEOPLE’S REPUBLIC OF CHINA

After the victory of the New Democratic Revolution, the Chinese Communists, led by Mao Zedong, through the Chinese People’s Political Consultative Conference (CPPCC), formulated the Common Program of the CPPCC and built a new democratic society, clearly stating that “The People’s Republic of China must abolish all the privileges of the imperialist state in China, confiscate bureaucratic capital to the state property of the people, systematically transform the feudal semi-feudal land tenure system into peasant land tenure, protect the public property of the state and the property of cooperatives, protect the economic interests of the workers, peasants, petty bourgeoisie and national bourgeoisie and their private property, develop the people’s economy of the new democracy,

³ Xi Jinping, “Solidly Promoting Common Prosperity,” *Qiushi*, Vol. 20, 2021.

and steadily transform the agrarian country into an industrial country.”⁴ The basic spirit of the economic policy of the new democracy is to take care of all sides, that is, to implement the policy of “balancing public and private sectors, labor and capital, mutual assistance between urban and rural areas, and internal and external exchanges” in order to achieve the goal of developing production and economic prosperity. In fact, it was to fundamentally change the situation of old China, where the economy was very backward and the rich and the poor were polarized.

CPC led a land reform movement on a scale unprecedented in history, completely abolishing the feudal system of land tenure. By the end of 1952, with the exception of some ethnic areas and Taiwan Province, land reform had been basically completed in the newly liberated areas, and poor and middle peasants, who accounted for 92.1% of the rural population, occupied 91.4% of the total arable land. It liberated a large number of peasants and played a major role in promoting and restoring agricultural production, resulting in a general increase in peasants’ incomes, a marked improvement in their living conditions and an exponential increase in their purchasing power.⁵ This was also the landmark land reform in Chinese history. As Mao said, “Land reform is a once-in-a-lifetime event. From Yao, Shun, Yu, Tang, Wen, Wu, Duke of Zhou, Confucius to Sun Yat-sen, no one has done it before us.”⁶ For the first time, nearly 500 million farmers have been lifted out of a long period of extreme hunger and poverty. In order to avoid new polarization and to develop agricultural production, build water conservancy and resist natural disasters, Mao further advocated the development of agricultural production cooperatives to achieve common prosperity. In December 1953, the Resolution on the Development of Agricultural Production Cooperatives, drafted under Mao’s auspices, pointed out that members were constantly discussing the difference between socialism (no one exploits anyone and everyone becomes rich) and capitalism (the exploitation of the majority by the few and the impoverishment of the

⁴ Party Literature Research Center ed., *Selection of Important Documents of the People’s Republic of China*, Vol. 1, Beijing: Central Party Literature Press, 2011, p. 2.

⁵ See, *Party History Research Center of the CPC Central Committee, History of the Chinese Communist Party (1949–1978)*, Vol. 2, Beijing: History of Chinese Communist Party Publishing House, 2011, pp. 100–101.

⁶ Party Literature Research Center ed., *The Chronology of Mao Zedong (1949–1976)*, Beijing: Central Party Literature Press, 2013, p. 680.

majority and the enrichment of the few).⁷ The aim was to lead the peasants to the path of cooperative agricultural production and thus to common prosperity.

In 1954, the first socialist constitution, the Constitution of the People's Republic of China, was formulated, marking China's entry into a socialist society.⁸ In October 1955, Mao laid out the grand vision of achieving common prosperity and power under socialism. He stated, "Our goal is to make our country much more developed, much richer, and much stronger than it is now. ...We are implementing such a system (referring to the socialist system), such a plan (referring to the first five-year plan), it is possible to get richer and stronger year by year, to see richer and stronger year by year. Rich hereby means common prosperity and strong hereby means common strong. ...Common prosperity is certain, not something that today does not know tomorrow."⁹ Mao linked the common prosperity with the socialist system and the implementation of a planned economy, pointing out that only the implementation of a socialist system could make the people, especially the peasants who constituted the vast majority of the total population, rich, and only the implementation of a planned economic system could launch industrialization and make the country strong. Under the prevailing conditions of domestic development and the external situation, initiating the industrialization of the country through the planned economic system was the main way to realize the people's prosperity and the country's strength. Therefore, Mao was the first creator and practitioner of common prosperity in China.

⁷ See, Party Literature Research Center ed., *Selected Important Documents Since the Founding of the People's Republic*, Vol. 4, Beijing: Central Party Literature Press, 1993, p. 680.

⁸ Article 4 of the Constitution of the People's Republic of China provides that the People's Republic of China will rely on state organs and social forces to ensure the gradual elimination of the system of exploitation and the establishment of a socialist society through socialist industrialization and socialist transformation. In the Report on the Draft Constitution of the People's Republic of China, Liu Shaoqi pointed out that the socialist transformation of capitalist industry and commerce by the state would be achieved gradually over a considerable period of time and through various forms of state capitalism. See Liu Shaoqi, "Report on the Draft Constitution of the People's Republic of China (September 15, 1954)," from *Selected Important Documents since the Founding of the People's Republic*, Vol. 5, Beijing: Central Party Literature Press, 1993, p. 484.

⁹ *Mao Zedong Collected Works*, Vol. 3, Beijing: People's Publishing House, 1999, pp. 495–496.

2.3 SOCIALIST PRINCIPLE OF COMMON PROSPERITY

It was Deng Xiaoping who first proposed common prosperity as a socialist principle. He pointed out that in carrying out reform and opening up, socialism must adhere to two principles: one is public ownership and the other is common prosperity. After the reform and opening up, Deng made three major theoretical contributions to common prosperity: First, he explained the essence of socialism, which is to liberate the productive forces, develop them, eliminate exploitation, eliminate polarization, and finally achieve common prosperity. “Socialism is characterized not by poverty but by prosperity, but this prosperity is the common prosperity for everyone.” The second is the “first-rich theory,” that is, “let some people and some regions get rich first. ... The fundamental goal is to achieve common prosperity.” The “first-rich theory” recognizes that it is difficult to achieve the simultaneous prosperity of all the people in China with a relatively low level of productivity. Therefore, the “first-rich theory” has practical significance for the faster development of social productive forces at the development stage of China’s low productivity level, is more feasible and innovative, and lays the ideological foundation for the construction of a socialist market economic system. Third, the theory of common prosperity was put forward.

Deng viewed socialism dialectically in terms of the two main features of productive forces and common prosperity. On the one hand, he regarded “letting some people and regions get rich first” as a necessary development stage for “achieving common prosperity”; on the other hand, he was very vigilant against the emergence of polarization. In particular, after effectively dealing with the political turmoil in 1989, Deng clearly pointed out to Jiang Zemin and other leaders in charge of the central government in late 1990 that the greatest advantage of socialism was common prosperity, which reflected the essence of socialism, and seriously warned that if the polarization was carried out, ethnic, interregional and class conflicts would develop, and corresponding central and local conflicts would develop, and chaos might ensue.¹⁰ Since then, China has not experienced such turmoil and has achieved two miracles: long-term stable and rapid economic growth and long-term social stability.

¹⁰ See, *Deng Xiaoping Collected Works*, Vol. 3, Beijing: People’s Publishing House, 1993, p. 364.

Deng also put forward the “special theory” of China’s national conditions. He pointed out that “China’s situation is very special, even if fifty-one percent of the people get rich first, there are still forty-nine percent, that is, more than 600 million people are still in poverty, there will be no stability. Capitalism will not work in China; only socialism and common prosperity will lead to social stability and development.”¹¹

In September 1988, Deng put forward the strategic idea of “Two Overall Situations.” He pointed out “The coastal areas should speed up opening up to the outside world so that this huge area with 200 million people can be developed faster first, which will lead to better development on the mainland, which is a matter of the overall situation. The mainland should consider the overall situation. In turn, development is to a certain point, and requires the coast to come up with more power to help the development of the mainland, which is also a big picture. At this time, the coast must also obey the overall situation.”¹² This is an important foundation for the implementation of the Great Western Development Strategy in 1999. In fact, the implementation of China’s coordinated regional development strategy after the 10th Five-Year Plan reflects Deng’s vision of “Two Overall Situations.”

In 1992, Deng pointed out in his southern tour speech that “if the rich get richer and the poor get poorer, polarization will occur, and a socialist system should and can avoid polarization.”¹³ This poses a fundamental task for the Chinese Communists: How to avoid polarization between the rich and the poor under the conditions of an innovative socialist market-economy system.

On September 16, 1993, Deng proposed the theme of the era of common prosperity, “How to achieve prosperity for 1.2 billion people and how to distribute wealth after getting rich are big problems. The issue has already been raised, and solving this problem is more difficult than solving the problem of development.”¹⁴ The “first-rich theory” is

¹¹ Party Literature Research Center ed., *The Chronology of Deng Xiaoping (1975–1997)*, Beijing: Central Party Literature Press, 2004, p. 1312.

¹² *Deng Xiaoping Collected Works*, Vol. 3, Beijing: People’s Publishing House, 1993, pp. 277–278.

¹³ *Deng Xiaoping Collected Works*, Vol. 3, Beijing: People’s Publishing House, 1993, p. 374.

¹⁴ Party Literature Research Center ed., *The Chronology of Deng Xiaoping (1975–1997)*, Beijing: Central Party Literature Press, 2004, p. 1364.

mainly to solve the problem of development and break the “poverty trap,” while the “common prosperity theory” is not only to solve the problem of sustainable development but also to solve the problem of social distribution.

Deng’s general layout and top-level design of socialism with Chinese characteristics at the early stage of reform and opening up established a socialist market-economy system for China, created an economic system that guaranteed the liberation and development of productive forces, and ushered in the miracle of rapid economic development that has lasted more than 40 years to date.

In November 1993, the Decision of the Central Committee of the CPC on Some Issues concerning the Improvement of the Socialist Market Economy, adopted at the Third Plenary Session of the 14th Central Committee of the Party, pointed out that “the distribution of personal income should adhere to a system in which distribution according to work is the mainstay and multiple modes of distribution coexist, reflecting the principle of giving priority to efficiency and taking into account fairness. Workers’ individual labor compensation to introduce a competitive mechanism to break egalitarianism, the implementation of more work, more pay, a reasonable gap. Adhere to the policy of encouraging some people in some regions to get rich first through honest work and lawful business, and advocate that the rich first drive and help the rich later to gradually achieve common prosperity.”¹⁵ The “first-rich theory” has become the dominant development policy that aims to break the “poverty trap” and achieve the level of prosperity from the subsistence level. In a sense, the “first-rich theory” laid the ideological foundation for the establishment of the socialist market-economy system, without which the income gap in the process of establishing the socialist market-economy system would have triggered strong resistance to reform.

In the middle of the 1990s, there was a breakthrough in China’s common prosperity policy. In September 1995, Jiang Zemin delivered a speech at the 5th Plenary Session of the 14th CPC Central Committee entitled *Correctly Handling Some Major Relationships in Socialist Modernization* in which he clearly stated that achieving common prosperity is the fundamental principle and essential characteristic of

¹⁵ Party Literature Research Center ed., *Selected Important Documents since the 14th National Congress of the Chinese Communist Party*, Beijing: Central Party Literature Press, 2011, p. 465.

socialism and must not be shaken. First, from the historical and dialectical point of view, in understanding and dealing with the problem of regional disparities, we must see that the imbalance in the development of different regions is a phenomenon that must be a long-term history. Second, we must attach great importance to regional disparities and take effective measures to properly address them. Third, we need a process to solve the problem of regional disparities. Regional disparities should be narrowed as an important long-term policy must be maintained. He made it clear that starting from the 9th Five-Year Plan, more attention should be paid to supporting the economic development of the central and Western regions, gradually increasing efforts to address the trend of regional disparities continuing to widen, and actively working to narrow the gap.¹⁶ This marks the beginning of the transition from an unbalanced development strategy to a coordinated development strategy, and from the stage of “getting rich first” to the stage of “getting rich together.”

In September 1997, the report of the 15th National Congress of the CPC proposed to adhere to and improve a variety of distribution methods with the distribution of labor as the mainstay, allowing some people in some regions to get rich first, then pushing and helping the rich later, and gradually moving toward common prosperity; implement a distribution method that combines the distribution of labor with the distribution of factors, emphasizing efficiency first and taking into account fairness; regulate the distribution of income so that the income gap tends to be reasonable, and also pay special attention to preventing polarization. This shows that poverty is not socialism, and polarization between the rich and the poor is not socialism. Preventing polarization between the rich and the poor has always been the greatest challenge facing China in the process of building a socialist market economy, and achieving common prosperity for everyone people has always been the most important symbol and goal of socialist modernization with Chinese characteristics.

On June 17, 1999, in his speech at a symposium on the reform and development of state-owned enterprises in northwest China held in Xi’an, Jiang publicly proposed for the first time that there should be no delay in implementing the Great Western Development Strategy. He pointed out that gradually narrowing the development gap between regions, achieving coordinated national economic and social development, and ultimately

¹⁶ See, *Jiang Zemin Collected Works*, Vol. 3, Beijing: People’s Publishing House, 2006, p. 466.

realizing common prosperity for everyone are the essential requirements of socialism and an important issue for the overall situation of China's development over the centuries.¹⁷ He also introduced the Two Overall Situations proposed by Deng Xiaoping in 1998 as an important basis for adjusting the regional development strategy, which has received strong reactions and firm support from the whole society, especially the people in the Western region.

On October 11, 2000, the Fifth Plenary Session of the 15th CPC Central Committee adopted the Proposal of the CPC Central Committee on the Formulation of the 10th Five-Year Plan for National Economic and Social Development, making the implementation of Western development and the promotion of coordinated regional development a strategic task. The proposal points out that the implementation of the Great Western Development Strategy and the acceleration of the development of the central and Western regions are related to economic development, national unity, and social stability, as well as coordinated regional development and the ultimate realization of common prosperity, which is a major initiative to achieve the third strategic goal.¹⁸ The third strategic goal is to basically realize modernization, which also means that common prosperity is a connotation requirement for China to realize modernization.

On November 26, the State Council issued a Notice on the Implementation of a Set of Policies and Measures for the Development of the Western Region. The notice proposed “strive to use five to ten years to make breakthroughs in the western region infrastructure and ecological environment construction, the development of the western region has a good start. By the middle of the twenty-first century, the western region should be built into a new west with economic prosperity, social progress, stability, national unity, and beautiful mountains and rivers.”¹⁹

In 2002, in the report of the 16th National Congress of the CPC, Jiang emphasized that the basic focus of the CPC's policy formulation and implementation is to represent the fundamental interests of the largest

¹⁷ Ibid., p. 340.

¹⁸ See, Party Literature Research Center ed., *Selected Important Documents since the 15th National Congress of the Chinese Communist Party*, Beijing: Central Party Literature Press, 2011, p. 496.

¹⁹ See “Notice of The State Council on Implementing Several Policies and Measures for the Large-scale Development of the Western Region,” The State Council [2000] No. 33, October 26, 2000.

number of people, to properly reflect and take into account the interests of the masses in various fields, and to make the whole people move steadily in the direction of common prosperity.²⁰ He proposed that one of the goals of building a moderately prosperous society by 2020 is to “increase the proportion of the urban population by a large margin and gradually reverse the trend of widening differences between workers and peasants, urban and rural areas and regions.” He also specifically mentioned that “with the goal of common prosperity, the proportion of middle-income earners will be expanded and the income level of low-income earners will be raised.”²¹

In 2007, Hu Jintao put forward the Scientific Outlook on Development in the report of the 17th National Congress of the CPC, the core of which is “people-oriented, establish a comprehensive, coordinated and sustainable scientific concept of development,” proposing that “we should always take the realization, maintenance and development of the people’s fundamental interests as the starting and ending points of all the work of the CPC and the State, respect the people’s main position, give full play to the people’s originality, protect the people’s rights and interests, follow the path of common prosperity, and promote the people’s all-round development.”²² The concept put forward the target requirements of “the basic formation of a coordinated and interactive development mechanism between urban and rural areas and major functional areas,” “the basic formation of a reasonable and orderly pattern of income distribution, the majority of middle-income earners, and the basic elimination of absolute poverty,”²³ and the goal of “striving to provide all people with education, employment, medical care, health care and housing, and promote the construction of a harmonious society.” The goal of “gradually increasing the share of residents’ income in the distribution of national income and the share of labor compensation in the initial distribution” was put forward for the first time.²⁴

²⁰ *Jiang Zemin Collected Works*, Vol. 3, Beijing: People’s Publishing House, 2006, p. 540.

²¹ *Jiang Zemin Collected Works*, Vol. 3, Beijing: People’s Publishing House, pp. 543, 546.

²² *Hu Jintao Collected Works*, Vol. 2, Beijing: People’s Publishing House, 2016, p. 624.

²³ *Hu Jintao Collected Works*, Vol. 2, Beijing: People’s Publishing House, pp. 627, 628.

²⁴ See, *Hu Jintao Collected Works*, Vol. 2, Beijing: People’s Publishing House, 2016, pp. 642, 643.

In 2012, Hu clearly proposed in the report of the 18th National Congress of the CPC that the road to common prosperity must be followed. Common prosperity is the basic principle of socialism with Chinese characteristics. We must adhere to the basic socialist economic system and distribution system, adjust the pattern of the national income distribution, strengthen the regulation of redistribution, focus on solving the problem of the large income distribution gap, so that the fruits of development benefit all people more and more fairly, and make steady progress in the direction of common prosperity. By 2020, the overall equalization of basic public services will be achieved, the income distribution gap will be narrowed, the middle-income group will continue to expand, and the number of poverty alleviation targets will be significantly reduced. Social security will be enjoyed by all, and everyone will have access to basic medical and health services. Both primary distribution and redistribution should strike a balance between efficiency and equity, and redistribution should pay more attention to equity.²⁵

After the reform and opening up, the CPC deeply summarized the positive and negative historical experiences, realized that poverty is not socialism, broke the traditional institutional constraints, allowed some people and regions to get rich first, and promoted the liberation and development of social productive forces.²⁶ As socialism with Chinese characteristics enters a new era, it is bound to change from the stage of “getting rich first” to the stage of “getting rich together.”

2.4 ENTERING A NEW STAGE OF COMMON PROSPERITY

Since the 18th National Congress of the CPC, the Central Committee of the CPC, with Comrade Xi Jinping at its core, has attached more importance to the gradual realization of common prosperity for everyone people, made new interpretations of the theory of common prosperity, and made new arrangements for the strategy of common prosperity.

On November 15, 2012, at a meeting with Chinese and foreign journalists, Xi solemnly declared that “people’s aspiration for a better life is our goal” and stressed the need to “unswervingly follow the path of common prosperity.” Since the 18th National Congress of the CPC,

²⁵ Ibid., pp. 624, 626, 642.

²⁶ See, Xi Jinping, “Solidly Promoting Common Prosperity,” *Qiushi*, Vol. 20, 2021.

under the leadership of Xi, nearly 100 million people have been lifted out of absolute poverty and a moderately prosperous society has been built, opening up a new stage of building a society of common prosperity in China.

In October 2015, at the Fifth Plenary Session of the 18th CPC Central Committee, Xi first proposed the Concept of Innovative, Coordinated, Green, Open, and Shared Development in his note on the Proposal of the 13th Five-Year Plan of the CPC Central Committee on the Formulation of National Economic and Social Development. The proposal is designed with the new development concept as the main line. The new development concept has become the central embodiment of China's development ideas, development direction, and focus for the 13th Five-Year Plan and beyond, and is also the central embodiment of China's development experience in the past 30 years of reform and opening up, reflecting CPC's new understanding of the laws of development in China.²⁷ Among them, "Shared development is the essential requirement of socialism with Chinese characteristics. We must insist that development is for the people, development is based on the people, and the fruits of development are shared by the people, and make more effective institutional arrangements so that all the people can have a greater sense of benefit from common shared development, enhance the momentum of development, improve the unity of the people, and make steady progress towards common prosperity."²⁸ The essence of shared development is that all the people strive, build, and share together. The five major developments are intertwined, integrated, and promoted by each other, and have a unified goal. Innovative development is the driving force of development, coordinated development is the art of development, green development is the mode of development, open development is the booster of development, and shared development is the goal of development. Among them, both coordinated development and shared development reflect the requirement of common prosperity. The core and

²⁷ See, Party Literature Research Center ed., *Selected Important Documents since the 18th National Congress of the Chinese Communist Party*, Beijing: Central Party Literature Press, 2016, pp. 774–775.

²⁸ Party Literature Research Center ed., *Selected Important Documents since the 18th National Congress of the Chinese Communist Party*, Beijing: Central Party Literature Press, 2016, p. 793.

ultimate goal of the new development concept is to achieve comprehensive human development. Xi also stressed that more effective institutional arrangements should be made to enable all people to move steadily toward common prosperity and that the phenomenon of “among the common people, the property of the rich families is thousands of thousands, while the poor families can only eat chaff and swallow vegetables” must not occur.²⁹

The 19th National Congress of the CPC put forward Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the core content and rich connotation of which can be summarized as the Eight Clarifications and the Fourteen Imperatives.³⁰ In the Eight Clarifications, Xi stressed that “the main contradiction in our society in the new era is between the people’s growing need for a better life and unbalanced and insufficient development.” The Fourteen Imperatives propose to “adhere to the new development concept” and “insist on safeguarding and improving people’s livelihood in the course of development.”³¹ All of these include the requirement of common prosperity.

In October 2020, at the Fifth Plenary Session of the 19th Party Central Committee, Xi clearly pointed out that “we promote economic and social development, ultimately to achieve common prosperity for everyone” and “we must put the promotion of common prosperity for everyone in a more important position.”

In January 2021, Xi, in his speech at the opening session of the special seminar for key leading cadres at provincial and ministerial levels to study and implement the spirit of the Fifth Plenary Session of the 19th CPC Central Committee, pointed out that “achieving common prosperity is not only an economic issue but also an important political issue related to

²⁹ See, Editorial Department of *Qiushi*, “The Strategic Drawing of Promoting Common Wealth in the New Development Stage,” *Qiushi*, Vol. 20, 2021.

³⁰ The Sixth Plenary Session of the 19th CPC Central Committee held in November 2021 adopted the Resolution of the CPC Central Committee on the Major Achievements and Historical Experiences of the Party’s Hundred-Year Struggle, which further summarizes the core contents of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era with the Ten Clarifications based on the Eight Clarifications of the 19th CPC Central Committee Report.

³¹ Xi Jinping, “Secure a Decisive Victory in Building a Moderately Prosperous Society in All Respects and Strive for the Great Success of Socialism with Chinese Characteristics for a New Era—Delivered at the 19th National Congress of the Communist Party of China,” *People’s Daily*, October 28, 2017.

the CPC's ruling base. We should consider the needs and opportunities in an integrated way, make gradual progress in accordance with the laws of economic and social development, consciously and proactively solve the problems of regional disparities, urban–rural disparities, and income disparities, and constantly improve the people's sense of access, happiness and security.”³² Therefore, the realization of common prosperity should be based on economic development, with the aim of laying a political foundation for the CPC's long-term rule and the country's lasting peace.

In March 2021, the Government Work Report emphasized, “Insisting on doing the best we can and living within our means, strengthening the construction of universal, basic and bottom-up livelihoods, and formulating an action plan to promote common prosperity so that the fruits of development can benefit all people in a greater and fairer way.”³³ This also means that the achievement of common prosperity should be based on objective conditions and clear priorities.

In August 2021, Xi put forward the complete and systematic thought of common prosperity and the roadmap for its implementation in the new era of the CPC in the article “Making Solid Progress Toward Common Prosperity.” He clearly pointed out that since the 18th National Congress of the CPC, the Party Central Committee has grasped the new changes in the development stage, attached more importance to the gradual realization of common prosperity for everyone, promoted coordinated regional development, taken strong measures to protect and improve people's livelihood, won the battle against poverty, and built a prosperous society in all respects, thus creating good conditions for promoting common prosperity. Now we are moving toward the goal of the second century and have reached the historic stage of firmly promoting common prosperity. In order to adapt to changes in the major contradictions of our society and better meet people's growing demands for a better life, we must take the promotion of common prosperity for everyone as the focus for people's happiness, and continuously strengthen the foundation of the CPC's long-term rule. High-quality development requires

³² “In-depth Study and Resolute Implementation of the Spirit of the Fifth Plenary Session of the Nineteenth Party Central Committee to Ensure a Good Start in Building a Comprehensive Socialist Modern State,” *People's Daily*, January 12, 2021.

³³ Li Keqiang, “Report on the Work of the Government—Delivered at the Fourth Session of the 13th National People's Congress of the People's Republic of China on March 5, 2021,” *People's Daily*, March 13, 2021.

high-quality workers, and only by promoting common prosperity, raising the incomes of urban and rural residents, and improving human capital can we improve total factor productivity and consolidate the power base for high-quality development. He further suggested that four principles should be adopted to promote common prosperity: encourage hard work and innovation to get rich; adhere to the basic economic system; do our best but live within our means; and adhere to gradual and orderly progress. The general idea is to adhere to the people-centered development ideology, promote common prosperity in high-quality development, correctly handle the relationship between efficiency and fairness, build a basic institutional arrangement with the coordinated and matching primary, redistribution, and tertiary distribution, strengthen the regulation of taxation, social security, and transfer payments, and improve the precision. This will lead to an olive-shaped distribution structure with a large middle sections and small ends, promote social justice and people's all-round development, and enable all people to make solid progress toward the goal of common prosperity.³⁴ This has become China's pragmatic approach to building a society of common prosperity.

The Resolution of the Central Committee of the Communist Party of China on the Major Achievements and Historical Experience of the Party Over the Past Century, adopted at the Sixth Plenary Session of the 19th CPC Central Committee, further emphasized that an important manifestation of socialism with Chinese characteristics entering a new era is “the era of gradually realizing common prosperity for all people.” The Resolution developed the core elements of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era outlined at the 19th Party Congress from Eight Clarifications to Ten Clarifications, of which the third clarification is “to clarify that the main contradiction of our society in the new era is the increasing growth of people's well-being. The main contradiction is the contradiction between the people's growing need for a better life and unbalanced and insufficient development, and we must adhere to the people-centered development ideology, develop the whole process of people's democracy, and promote the all-round development of the people and the common prosperity of all the people to make more obvious and substantial progress.” Also, in discussing the “put the people

³⁴ Xi Jinping, “Making Solid Progress Toward Common Prosperity,” *Qiushi*, Vol. 20, 2021.

first” in the Ten Insistences clearly put forward, “adhere to the development for the people, development relies on the people, the fruits of development shared by the people, and unswervingly take the road of common prosperity for everyone.” Therefore, common prosperity is a concrete manifestation of “adhering to the supremacy of the people,” an important basis for ensuring that the CPC maintains a flesh-and-blood relationship with the Chinese people, an important political issue related to the CPC’s ruling base, and an important guarantee for the CPC to lead the people to win greater victories in socialism with Chinese characteristics in the new era, and an important theoretical innovation and development of Marxism in the twenty-first century.

The CPC’s insistence on innovation in the theory and social practice of common prosperity is an important contribution to the theory and practice of socialist modernization with Chinese characteristics and provides a Chinese solution and Chinese experience for developing countries to achieve modernization, which has far-reaching international significance. As Xi summarized, “China’s modernization is a modernization with a huge population, a modernization with common prosperity for all people, a modernization with the harmonization of material and spiritual civilization, a modernization with harmonious coexistence between man and nature, and a modernization on the path of peaceful development.”³⁵ This also means that Chinese-style modernization is not only modernization in terms of material civilization, but also comprehensive modernization based on people, which is a great innovation of China’s socialist modernization, which comprehensively transcends several centuries of modernization of Western capitalism, and opens up a new road of modernization of common prosperity, which is unprecedented for sustainable human development in the twenty-first century.

The challenge and task facing China as it enters the middle-income stage are to avoid the “middle-income trap.” To avoid falling into the “Westernization trap,” we must adhere to the CPC’s leadership, maintain strategic determination, and continue to explore and innovate the path of development with Chinese characteristics. The reason why we should pay attention to the middle-income trap is that countries at the middle-income development stage have changed the social foundation and growth momentum on which their economic development is

³⁵ Xi Jinping, “Grasping the New Development Stage, Implementing the New Development Concept, and Building a New Development Pattern,” *Qiushi*, Vol. 9, 2021.

based. Therefore, if the development transition is not effectively achieved, economic development will fall into low growth or stagnation, and the accumulation of social contradictions may also become an important factor of economic stagnation. In this regard, Xi has given a clear answer.

On February 17, 2014, Xi, in his speech at a seminar for key leading cadres at the provincial and ministerial levels to study and implement the spirit of the Third Plenary Session of the 18th Central Committee to comprehensively deepen reform, made it clear that we should not only avoid falling into the middle-income trap, but also avoid falling into the “westernization and differentiation trap.”

On November 10, 2014, at the dialogue between APEC leaders and representatives of the Business Advisory Council, Xi pointed out, “for China, the middle-income trap will definitely pass, the key is when to get over it and how to move forward better after getting over it. The key is when to step over it and how to move forward better after stepping over it. We are confident that we can strike a balance between reform, development, and stability, and between stabilizing growth, adjusting structure, improving people’s livelihood, and promoting reform, so that China’s economy can move steadily and far ahead.” This means that getting out of the middle-income trap is not only about crossing the threshold of high income, but also about how to achieve sustained economic growth at a higher rate after crossing the threshold.

Getting out of the middle-income trap is a necessary development stage for China to move toward common prosperity, and then reach the level of middle-developed countries and make obvious and substantial progress in common prosperity for all people. This provides the contemporary world with Chinese theory, Chinese practice, and the Chinese experience of common prosperity.

The theory of achieving common prosperity for everyone put forward by the CPC has profound connotations, mainly including three important principles: First, all the people do their best, jointly develop the economic, social, and cultural ecology, and jointly create economic, social and cultural ecological wealth; Second, all the people get their share, jointly build, jointly help and share prosperity; Third, all the people share in harmony, achieve comprehensive human development and comprehensive social progress; Fourth, all people share in harmony, achieve all-round human development and social progress, and enjoy the fruits of reform and development and a happy and beautiful life together. Xi pointed out,

“To achieve common prosperity for 1.4 billion people, we must be down-to-earth and work for a long time. Not all people will be rich at the same time, and not all regions will have a standard of prosperity at the same time. Not only the degree of prosperity of different groups of people will differ, the timing will vary, but also there will be certain differences in the degree of prosperity in different regions, so it is impossible to advance in tandem. This is a dynamic process of forward development, to continue to promote and constantly achieve results”.³⁶ This shows that common prosperity is not egalitarianism, let alone sharing a “big pot of rice,” but advocating and encouraging all people to work to get rich, innovate to get rich, and start a business to get rich, so that the sense of achievement, happiness, and security of all people is more abundant, more secure and more sustainable, making the fruits of reform and opening up more and more equitable for the benefit of all people.

Xi also emphasized, “A gradual and orderly progress is to be maintained. Common prosperity is a long-term goal, a long process, and cannot be achieved overnight. It needs to be fully estimated that it is a long-term, difficult, complex process. It cannot be delayed or rushed. Some developed countries have been industrialized for hundreds of years, but because of problems with the social institutional systems, the problem of common prosperity has not been solved, and the problem of disparity between rich and poor is becoming more and more serious. We must have patience, accomplish one thing at a time, do a good job, and improve effectiveness.”³⁷ This also shows that the ambitious goal of achieving common prosperity for all people is not a short-term task but a long-term task, not a “quick victory” but a “protracted war.” First, the trend of widening the income gap between urban and rural areas, regions and people should be curbed; Second, the continuous narrowing of the relative income gap should be promoted; Finally, the absolute income gap should be continuously narrowed. From the perspective of timing, the short-term goal is that by the end of the 14th Five-Year Plan period, the common prosperity for everyone will take a solid step forward, and the gap between residents’ income and actual consumption level will be

³⁶ Xi Jinping, “Making Solid Progress Toward Common Prosperity,” *Qiushi*, Vol. 20, 2021.

³⁷ *Ibid.*

gradually reduced; the long-term goal is that by 2035, the common prosperity for everyone will make more obvious and substantial progress; the longer-term goal is that by the middle of this century, the common prosperity of all the people will be basically realized, and the gap between residents' income and actual consumption level will be gradually reduced. The longer-term goal is that by the middle of this century, the common prosperity of all people will be basically realized, and the gap between residents' income and actual consumption level narrowed to a reasonable range.

In short, since the founding of the People's Republic of China, the essence of China's socialist modernization has been to gradually achieve common prosperity for everyone. The first step was to establish an independent and relatively complete industrial system and national economic system, entering a period of modern economic growth, and escaped from the situation of poverty; then to achieve sustained and rapid economic growth, raise the people's livelihood from an inadequate subsistence level to a generally prosperous level and catch up in great strides; then came the comprehensive completion of a moderately prosperous society for more than 1.4 billion people, the realization of the First Hundred Years' Goal and the opening of a new road to achieve the Second Hundred Years' Goal. This fully demonstrates the superiority of the leadership of the CPC and the socialist system, which, under the leadership of the CPC, has pioneered and innovated the righteous road to common prosperity for more than a billion people.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits any noncommercial use, sharing, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if you modified the licensed material. You do not have permission under this license to share adapted material derived from this chapter or parts of it.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

