

# TI Observer

The 2022 Two Sessions:  
Better Livelihoods for a  
Brighter Future



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# The 2022 Two Sessions Decoded: China's "Dual Carbon" Goal and Green Economy

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China's "dual carbon" goal, namely achieving carbon peak by 2030 and carbon neutrality by 2060, is a noteworthy topic at the 2022 Two Sessions. This year's meetings set the tone for the next steps that China will take to achieve its "dual carbon" goal and its transition to a green economy.

The Two Sessions made it clear that to achieve low-carbon development, China needs to think big and start small, plan realistically and progress steadily. At the fifth session of the 13<sup>th</sup> NPC (National People's Congress) on March 5<sup>th</sup>, President Xi Jinping pointed out that green transformation is not something that can be achieved overnight; it is a process of establishing the new model of development before abolishing the old one (先立后破 *xian li hou po*), not the other way round. Premier Li Keqiang also mentioned *xian li hou po* in the Government Work Report, stating that "well-ordered steps" need to be taken "in accordance with overall planning."

By announcing its "dual carbon" goal, China was showing to the world that it is acting proactively to address the global issue of climate change as a responsible world power. In his speech at the general debate of the 75<sup>th</sup> UN General Assembly in September 2020, President Xi stated that the Paris Agreement on climate change "charts the course for the world to transition to green and low-carbon development. It outlines the minimum steps to be taken to protect the Earth, our shared homeland, and all countries must take decisive steps to honor this Agreement." President Xi also declared that China would scale up its Nationally Determined Contributions (NDCs) by adopting more vigorous policies and

measures. “We aim to have CO<sub>2</sub> emissions peak before 2030 and achieve carbon neutrality before 2060.”

It is a major strategic objective for the Chinese government to achieve the “dual carbon” goal as its responsibility to contribute to the “community of a shared future for mankind” and nationwide sustainable development. This means that when compared to the developed economies, extensive and intensive socioeconomic transformation for a developing country like China needs to take place in a shorter period of time, and therefore the country will have to overcome more challenges. The “dual carbon” goal requires China to take a longer-term perspective in its development planning instead of simply having short-term aims in mind, and to brace itself for a protracted endeavor. However, over the past year, for some industries and in some regions, there have appeared signs of rushing to implement this goal.

In regard to the budding problems in the process of achieving the “dual carbon” goal, the Two Sessions delivered a clear and decisive message: “campaign-style” carbon reduction is not an option.<sup>1</sup> In my opinion, such a message will prove to be correct, timely, and pragmatic, and must consistently guide the implementation of the “dual carbon” goal.

In the foreseeable future, our primary task is to “correct deviations.” This can be interpreted from two perspectives: cognition-wise and action-wise.

First, correcting cognitive deviations. According to the national policy guidance announced at the Two Sessions, the “dual carbon” goal concerns national socioeconomic transformation. Achieving this goal requires cross-sector (e.g., cultural, economic, energy, environmental, and social) coordination, and its impact extends to every member and every aspect of our society. China needs to aim high, look far, yet start small. We cannot afford to ignore the challenges, nor can the “dual carbon” goal be rushed.

Second, correcting deviations in action. Over the past year, some organizations in China have resorted to campaign-style carbon reduction. They were front-loading the “dual carbon” goal in a few sectors, industries, and companies, hoping to “end the battle in one fell swoop.” As it turned out, such a simplistic approach did little to help the situation. Worse, it posed a considerable threat to high-quality economic development and long-term social stability.

Again, “dual carbon” is a long-term goal. China needs to take baby steps in steadily

<sup>1</sup> For more information about campaign-style carbon reduction, see “Explainer: What is China’s ‘campaign-style’ carbon reduction,” Reuters. Aug. 4, 2021, last accessed Mar. 26, 2022. <https://www.reuters.com/business/sustainable-business/what-is-chinas-campaign-style-carbon-reduction-2021-08-04/>

pursuing that end. There must be no more arbitrary and cut-across-the-board solutions as in the past. The Two Sessions could not have been clearer about that.

It is a highly formidable and complex task to achieve the “dual carbon” goal, which requires an improved top-down design and comprehensive use of market and administrative tools. With this goal in mind, China is building its “1 + N” system of climate policies, which includes undertakings to formulate implementation plans for different fields (e.g., energy, industry, urban and rural construction, transportation, agriculture, and rural areas) and key industries (e.g., iron and steel, petrochemicals, non-ferrous metals, building materials, electric power, oil, and gas). Other supporting policies are also in the making, covering technology, finance, carbon sink, accounting, supervision, and assessment. A holistic system of laws, standards, and institutions will nip any arbitrary slash-and-burn approach in the bud, so as to guarantee a successful implementation of the “dual carbon” project down the road.

The world today is experiencing changes unseen in a century, not only for climate, but for much more. Therefore, it is of particular contemporary significance for countries around the world to strengthen their dialogue and cooperation in addressing climate change. It is imperative that all countries come together to support global climate governance and leverage climate cooperation for environmental, economic, social, and cultural exchanges.

Now, given the fast-deteriorating climate change issue, coupled with the COVID-19 pandemic, mitigation and adaptation have become the two core tasks of global climate governance. If mitigation was the focus of the past efforts, broader and deeper cooperation in climate change adaptation is, more than ever, the urgent and immediate need. Climate change increases the odds of global food and health crises. For many climate-vulnerable countries, including those in Africa and small island developing countries, coronavirus outbreaks, with their significant impact on the international supply chain system, only exacerbated the difficulties they have already had. In the foreseeable future, enhancing resilience to climate change through cooperation should be at the top of the world’s agenda.

Under international law, climate change is one of “humankind’s common concerns” that requires cooperation and joint response. According to Article 3 of the United Nations Framework Convention on Climate Change (UNFCCC), the parties thereto should protect

**“It is imperative that all countries come together to support global climate governance and leverage climate cooperation for environmental, economic, social, and cultural exchanges.”**



the climate system in accordance with their “common but differentiated” responsibilities and respective capabilities. The Article stipulates that efforts to address climate change may be jointly performed by interested parties. UNFCCC also emphasizes that developed countries should provide financial and technical support for developing countries. These are the cornerstone principles of global climate governance.

Exchanges in relevant science and technology have always been a focus of international cooperation in addressing the climate issues. Compared with pushing forward technological frontiers, working together on the basic science of climate change is much more important now and in the near future. What are the connections between climate change and natural disasters? What is the socioeconomic impact of climate change on a national or global scale? What is the global climate trend? And what does it mean for the food supply system of a country and the whole world? It behooves the international community to do more research on all these issues. Given the complex international situation, cooperation and exchanges in basic research should go beyond natural science to include dialogues and exchanges in cultural and social fields that are related to the climate change issues.

Climate change is a topic that cuts across all aspects of our society. We need to cherish and leverage global platforms for climate cooperation. Specifically, we need to expand and extend such cooperation into the political, economic, cultural, and social spheres, so that all countries can address misunderstandings and iron out their differences in raising the awareness of building a “community of a shared future for mankind.”

As the world’s second largest economy and the largest developing country, China plays an indispensable role in promoting global cooperation in climate research

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and governance.

China is actively responding to climate change, with both the well-being of the nation and long-term human development at the center of its “dual carbon” initiative. The country is fulfilling its obligations under the UNFCCC in accordance with its capabilities and the characteristics of its stage of development. Through concrete actions, China is making significant contributions to global environmental protection while striving to solve its own environmental problems.

As mentioned above, China has pledged to scale up its intended NDCs by adopting more vigorous policy measures. In this way, China is redoubling its efforts to address global climate change, reaffirm its support for multilateralism, and reinvigorate the implementation of the Paris Agreement.

# Double First-Class— a Buzzword for China's Ongoing Higher Educational Reform

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Education was one of the key subjects of nationwide concern and therefore featured prominently during this year's Two Sessions. The most discussed topic on higher education was the so-called "Double First-Class" initiative. As the initiative is being carried out in its second round, the priority and the underlying logic of this transformation are two areas that have been garnering interests both at home and abroad.

Since the founding of the People's Republic of China (PRC), it has been the country's unwavering mission to develop higher education and train high-level talents for the advancement of domestic industries. However, due to limited educational resources, not all colleges received supplementary support from the government. However, the launch of "Project 211" and "Project 985" in the 1990s boosted the overall academic advancement and competitiveness of domestic colleges and narrowed the gap between China and the world's leading countries in higher education.

Project 211 is a national program that focuses on helping develop approximately 100 higher education institutions and a number of key disciplines with better academic quality for the 21<sup>st</sup> century. Officially launched in 1995, the program eventually included 112 higher education institutions. In 2017, the 112 colleges and universities of Project 211 were included in the first round of the Double First-Class initiative to build world-class universities and disciplines. Project 985, which includes 39 colleges and universities, acquired its name from the month and year (May 1998) when former President Jiang Zemin said at the 100<sup>th</sup> anniversary of Peking University that "to achieve modernization, China should have world-class universities."



In the past 20 years, the Chinese higher education system has made remarkable achievements. Universities have made improvements both in terms of hardware: infrastructure and scale, and software: faculty building, research output, talent training, and international exchanges and cooperation. Significantly, many top-class universities around the world use the status of Project 211 and/or Project 985 universities as a criterion for potential partnership and student admission. Over the past few years, the central government has provided a total of 15.2 billion RMB (about 2.4 billion US dollars at current exchange rates) for Project 211 and 70.7 billion RMB (about 11.2 billion US dollars) for Project 985. Despite the huge financial input by the government, higher education in China still faces many challenges, including a shortage of quality educational resources, an imbalance in regional structure, and a lack of equality and diversity on the supply side.

Forty years of reform and opening-up has made China the second-largest economy in the world and boosted its higher education to the largest scale worldwide. With the implementation of Project 211 and Project 985, especially the continuation of enrollment expansion, a tendency appeared where Chinese universities strived to enlarge their scale and include as many disciplines as they could. Almost all higher education institutions were launching science, technology, agriculture, medicine, humanities, and social science programs. If the establishment of China's mono-technic colleges in the 1950s reflected historical limitations, then the headlong rush toward comprehensive universities has been the biggest fault line in higher education over the past 20 years.

Scale is not equivalent to strength just as comprehensiveness is not equivalent to quality. An important sign that a country's higher education has truly evolved from being large to being strong is its possession of a considerable number of globally recognized and influential universities and disciplines. Considering the limited financial resources of China and the varying degrees of priority given to higher education in different regions, national policy guidance and investment promotion must be established. To solve the existing problems, China must adopt a new perspective to deepen the comprehensive reform of higher education and explore new paths for the building of world-class universities and disciplines.

In October 2015, the State Council issued the Overall Plan for Coordinately Advancing the Construction of World First-Class Universities and First-Class Disciplines. According to this plan, key projects such as Project 211 and Project 985 were to be integrated into the Double First-Class initiative. In January 2017, the Ministry of Education, the Ministry of Finance, and the National Development and Reform Commission released the Measures for the Implementation of the Overall Scheme for Promoting

the Development of World-class Universities and Disciplines. The Double First-Class List of 140 universities and 465 disciplines was established in September of the same year. The initiative attached greater importance to the differentiated and intensive development of universities. The be-all and end-all of such development was the construction of outstanding disciplines. A university that possesses world-class disciplines could be considered a first-class university. The key was no longer the number of disciplines that the university has. Apart from Project 211 and Project 985 universities and colleges, only two of the universities included in the first round of Double First-Class were comprehensive universities, while the remaining 23 were mono-technic colleges with special characteristics.

Unlike in the past, Double First-Class places more emphasis on the intensive development of quality higher education. For example, the application system that determines Double First-Class universities is replaced with a process-focused and result-oriented selection system that considers not just the self-evaluation and “self-claimed achievements” of an institution but also the measures it employs in talent training, scientific research, social services, and international cooperation as well as the corresponding effects it attained.

The new selection system highlights talent training and institutional innovation while downplaying the significance of the number of enrollees and papers published. International cooperation is evaluated based on whether the cooperation involves leading universities or disciplines. Other indicators include the efficiency in using national and local finances. Even if a university is not yet leading in its general strength, it still has a chance to distinguish itself in one or more disciplines. For example, a university that specializes in traditional Chinese medicine may partner with Western medical colleges through joint research, student exchanges, and academic summer/winter camps.

In other words, compared with the first round of the Double First-Class initiative, the second round emphasizes disciplinary construction and its alignment with the development needs of the nation. This round aims to establish an eco-system in which universities can develop along the lines of their own academic strengths and obtain corresponding support and evaluation. This way, the existing problems and improvement measures in the first round of the initiative are addressed. Moreover, the Ministry of Education stated that one of the major tasks for 2022 was to “gradually bring what had been done in the first round to a stop to identify or designate first-class universities and first-class disciplines.” This has great implications for Chinese

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universities.

The Double First-Class initiative improves the implementation of Project 211 and Project 985 by abandoning the permanent membership system, making the list of Double First-Class universities a fluid one. However, a distinction between first-class universities and universities with first-class disciplines still exists. First-class universities are further divided into two categories, with 36 universities being placed in category A, whereas six others in category B. The problem was that this official categorization became a benchmark for judging a university's status. Some employers even used this categorization as a prerequisite for recruitment, regardless of the new recruits' actual capabilities. As a result, unfortunately, some universities started blindly pursuing the labels of "first-class university" or "university with first-class discipline."

Shortly after the launch of Double First-Class, some universities stopped offering courses that were important academically but that they did not do well. Also, some basic disciplines that were of fundamental significance to the country's development were overlooked. In the meantime, however, some others made chemistry, material science, and biology, which were listed as first-class disciplines, their key disciplines. Some even rushed to establish medical schools. The underlying reason for these moves, as a specialist in higher education reform pointed out, was that it was easier to get papers published in those disciplines.

The issuance of the Opinions on Furthering the Construction of World-Class Universities and First-Class Disciplines at the 23<sup>rd</sup> meeting of the Central Committee for Comprehensively Deepening Reforms Commission in late 2021 marked the commencement of the second round of the Double First-Class initiative. The document listed the successes and failures of the previous round and emphasized the goal to "strengthen discipline-building and reduce the undue pursuit of the superficial first-class label." As for discipline construction, the document laid out the demand-led requirement: to think and act according to the country's urgent needs, serve the development strategies of the nation, and target technological frontiers and key areas. Specifically, the higher education sector was called on to strengthen basic disciplines, enhance applied disciplines, and promote interdisciplinary integration.

In terms of the evaluation system, the core purpose was to guide universities to effectively direct their efforts and attention to disciplinary development, innovation, and substantial breakthroughs in relevant academic research fields, to focus on the training of innovative talents, and to create world-class universities in real sense.

All in all, the new round of Double First-Class focuses on the positioning, disciplinary

characteristics, and the level of academic development of the universities. To meet the national development demands, Double First-Class universities need to achieve major breakthroughs either in original innovation in the fields of natural science or in carrying forward traditional culture and exploring new dimensions of studies on governance, or both. This way, the universities will create more platforms for students to study, practice, and carry out research and provide graduates with more opportunities to pursue further education or a professional career.

As a key initiative in China's higher education reform, Double First-Class not only undertakes the mission of talent training but also prepares the ground for innovation and social progress. Over the past two years, the COVID-19 pandemic and the turbulent international situation that followed had posed great challenges to China's economy and employment market. As a result, college graduates were having a harder time finding jobs. At present, we are at a point where there are "more graduates than jobs." Nevertheless, the greater the challenges, the more important it is for educational institutions to stay focused on fulfilling their fundamental and pioneering role. The Double First-Class initiative relies not only on the government's endorsement but also on social support, especially the coordinated efforts of university leaders, professors, teachers, and students.

Although much remains to be done, Double First-Class universities lead their peers in terms of quality faculty members and students, talent training, financial preparedness, and social recognition. This is why their graduates enjoy more opportunities for further education and career development.

The Chinese government has recently taken a series of measures to alleviate the employment pressure on college graduates, such as expanding the postgraduate enrollment, helping college graduates start their own businesses, organizing student

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innovation and entrepreneurship competitions, as well as job fairs. Also, as part of the effort to promote the “dual circulation” concept in the country’s economic development and build a new socialist countryside, China is refocusing on restructuring its industrial bases to create more employment opportunities for college graduates.

The promotion of the Double First-Class initiative also offers better opportunities for further people-to-people exchanges between China and other countries. To achieve a “world-class” standing and improve international competitiveness, a university must open up and carry out high-level exchanges and cooperation with its global peers. China’s first-class universities should not only team up with educational and research institutions in developed countries but also integrate into the Belt and Road Initiative and other national strategies.

With a focus on enhancing international competitiveness and influence, these universities need to create a favorable environment for substantive cooperation with world-class universities and institutes and actively participate in key regional and global research projects. They should tap into high-quality international resources for technology and education and seek new breakthroughs in promoting the intensive development of cultural exchanges between China and foreign countries, jointly training high-caliber talents with a global vision and cross-cultural communication skills, and encouraging international students to pursue degrees in China.

# The Monthly Rundown: China's Two Sessions and the Russia-Ukraine Crisis

Einar Tangen



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## An Interview with Einar Tangen

China and the world stand at a crossroad. As China conducted its annual Two Sessions in affirming its economic direction for the year, the crisis in Ukraine has waged on, all of which create new uncertainties and difficulties on the road ahead. How does China plan to navigate its economy? Will it abandon its current COVID management policy? And what might the global consequences of the Russia-Ukraine crisis be?

**TIO** The 2022 Two Sessions are happening at a critical point in China's political and economic development. The Communist Party of China (CPC) celebrated its 100<sup>th</sup> anniversary about eight months ago. Later this year, the Party will have its 20<sup>th</sup> National Congress. What do you think will be the most important items on the Two Sessions agenda, and why?

**Tangen** We are living in uncertain times. The conflict between Russia and Ukraine has exacerbated an already difficult economic and political outlook, as the world was beginning to emerge from the pandemic.

Coming into the Two Sessions, China's main concerns were its domestic economic outlook, U.S.-China relations, the pandemic, and its commitments to its people and the environment, but after the situation in Ukraine, the concerns have deepened and broadened to include the availability, costs, and logistics of necessities like food and energy, and the effect they will have on China and other developed and developing nations.

Facing these uncertain political, economic, social, and environmental headwinds, China's primary focus is on the things it can control, meaning what needs to be done domestically



in the short run, while maintaining its long term, economic, environmental, and social programs and milestones, like rural revitalization, to prevent people falling back into extreme poverty, regional economic inequality between provinces, the 2030 and 2060 environmental goals, education, youth development, and better availability and access to social services like health services and care for the elderly.

Last year, the unemployment rate was 5.1%. This year it is projected to be 5.5%.

Last year, the Consumer Price Index was 0.9%. This year they are projecting around 3%.

Together with the downward adjustment of the overall GDP growth target from 6% in 2021, to 5.5% in 2022, Beijing is signaling that political and economic uncertainties will be factors. It is worth noting that China didn't go with a growth range as they did in 2020, opting instead for a hard number, which indicates a bit more confidence.

Usually, given Beijing's proclivity to under-promise and over-deliver, people tend to look at the possible upsides, but with necessities like energy and food in play, there doesn't seem too much room for external optimism. But, internally, China's ability, over the last 40 years, to manage its economy better than other countries, as demonstrated by its management of the US Financial Meltdown of 2008-2009, is what people will be counting on. This is in part due to Beijing's much larger economic toolbox, but also a better partnership with its people, as China's COVID-19 response has demonstrated.

Beijing has signaled its economic efforts will involve a combination of fiscal and monetary moves to support key sectors, like families, technology, SMEs, green development, and the beleaguered real estate sector. Tax, fees, and rate cuts will help keep money in the pockets of consumers and SMEs. Lower home down-payments, support for technology, innovation, and targeted support for infrastructure, especially green projects, in line with China's 2030 and 2060 environmental goals, will provide jobs while improving efficiency and cost savings as China continues the digitalization of its economy.

But, rather than just focusing on the headwinds, Beijing has gone to great lengths to assure its people that long-term social development goals will not be paused.

President Xi's visit to the Inner Mongolia Autonomous

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Region, where he discussed regional and social development, like upgrades to the electrical grid, more support for technology, innovation, the environment, and rural revitalization, was a strong signal that China's socialist policy efforts, like tackling economic inequality, women's issues, and demographic needs, will continue.

So why is this important?

As other nations across the world struggle to cope with the barrage of negative economic news and political strife, social and environmental issues are being pushed to the back burners. Creating a "one step forward, two steps back" approach is threatening the global efforts to avoid an ecological, social, economic, and political cataclysm.

China's ability to follow its long-term domestic goals and international commitments, like climate change targets, by simply modifying its short-term game and adjusting its middle and long-term approaches, is fast becoming the gold standard of national management.

The truth is, the workings of government are about methodical implementations and progress reporting. 90% of the daily government work is about harmonizing and implementing plans that are supposed to govern and improve the people and the nation. It's about the nitty-gritty of balancing priorities, like defense, poverty, healthcare, education, development, etc. It is the reason the centerpiece of the Two Sessions, the Government Work Report, always contains an exhaustive list of the government's previous and future goals. If Premier Li were to leave out any items, it would spark speculation that the government has abandoned those areas as priorities, causing widespread concern and confusion.

So, if you are one of the people who wonder why the report is so long and exhaustive, now you know.

**TIO** One major issue, which is on everyone's mind, is China's COVID-19 policy going forward. Compared with other countries, China has been more effective, but stricter. Looking forward, will China continue its "Zero-COVID Policy" in 2022, and if so, why, and how?

**Tangen** The premise outside China is that China is always on the verge of political, economic, and social collapse. This, ironically, has been projected onto China's unprecedented success in handling the COVID-19 pandemic.

Regardless of the plain facts, hostile governments, media groups, and individuals continue to voice daily suspicions about the numbers, effects, and costs of China's success.

**“China was the main provider of essential PPE (Personal Protective Equipment) and goods to nations who had failed the leadership moment, by choosing political compromises, and/or denial, over science. Without the “factory of the world,” countries, including the U.S., would have faced even more severe infections and deaths.”**

But, the facts paint a different picture: the number of infections, deaths, the rapid development of vaccines, all while providing the best in class management of its economy, has set China’s pandemic response miles apart from any other nation.

While the pandemic raged and cut economic growth numbers for the vast majority of nations, China’s economy grew and was responsible for one half of world growth during the first two years of the pandemic.

China was the main provider of essential PPE (Personal Protective Equipment) and goods to nations who had failed the leadership moment, by choosing political compromises, and/or denial, over science. Without the “factory of the world,” countries, including the U.S., would have faced even more severe infections and deaths.

So, the premise that somehow China’s teetering on the brink of calamity due to its handling of the pandemic is a false narrative seemingly developed to cover up the failures of other nations and their leaders.

In the Two Sessions report, it was made very clear, China will continue to stick to science, not politics, as it makes decisions about transitioning from a pandemic to an endemic approach.

Beijing has seen, quite clearly, that political approaches to scientific issues are disastrous. There is no better example of that than the United States, where the numbers of infected, hospitalized, and deaths spiraled beyond anybody’s expectations, literally among the worst in the world. Yet, the U.S. is the wealthiest, most technologically advanced country, with the best medical capabilities in the world.

So, what should people be looking for in 2022?

Since the pandemic’s first major manifestation in Wuhan over two years ago, Beijing has

used a combination of masks, digital tracking, border controls, mass testing, treatment, vaccines, and targeted lockdowns to minimize infections and deaths.

Despite being able to mobilize effectively when required, for example, building field hospitals in a matter of days, China has only 3.6 critical care beds per 100,000 people compared to the U.S., for example, which has 30. Concerns about overwhelming treatment capacity were a major factor in China's strict protocols.

As a byproduct of that success, the general populace has developed very high expectations about infections and mortality. These expectations are currently being tested by Omicron's spread in Hong Kong, Liaoning, and other places around China.

China's current approach: vaccinate 85% of the population (currently the number is above 90%), develop protocols to handle outbreaks without having to go into full-scale lockdown. This approach was developed and tested successfully during the Winter Olympic Games, using "bubbles," managing public expectations and reactions to cases, developing and approving additional treatment approaches, like foreign and domestically developed mRNA vaccines, and finally, waiting for the mortality rate to come down to 0.1% or lower. The mortality rate is the unknown variable that will depend on a combination of vaccine efficacy and less deadly COVID-19 strains.

**TIO** That leads us to the third question. In China, the Two Sessions are often deemed as an embodiment of Chinese democracy. From your perspective, how is China's democratic paradigm different from that of the West? Can you give some examples?

**Tangen** The role of government is first and always to protect the safety of its citizens, then to provide and maintain the physical and economic structure necessary for society and the nation to function.

Democracy is a means to ensure that a government fulfills its duty to protect and provide, by allowing the majority of the people to remove those they deem unresponsive.

In reality, democracies only work if the majority of those voting can balance their needs with the needs of society. No society can function without a sense of collective responsibility and action, as COVID-19 clearly showed.

But, for many developed countries and especially the U.S., democracy is less of a "means," and more of an "end." American Exceptionalism is based on the assumption that if all nations embraced the liberal, democratic, free-market system, the world would arrive at the end of history and life would be peaceful and perfect. The reality is every government is

ultimately judged on its ability to protect and provide for its people, society, and nation.

In this regard, the U.S. has utterly failed, people are told to buy guns to protect themselves, the political system is divided and dysfunctional, the physical infrastructure is failing, while internationally, America's soft power is dying the death of a thousand hypocrisies.

As Chinese citizens freely walk their streets without fear, murder rates in the U.S. continue to rise. As China builds the infrastructure it needs for the future, the U.S. is struggling to repair its failing roads and bridges. As China joins trade initiatives and funds development, America isolates and sells weapons. As China talks about a shared future, US leaders talk about the evils of other nations.

Against this backdrop, China has developed its "whole process democracy," which basically means democracy with Chinese characteristics, or as I like to term it, Representative Democracy, based on Socialist Pragmatism.

China's system involves its 90 million CPC members who come from all walks of life and represent the feelings and needs of the people around them, in life, society, and work. Compare the makeup of the NPC (National People's Congress) to the US Congress. In the NPC, members receive travel, lodging, and a small stipend, but maintain their everyday jobs, which range from housewives, garbage collectors, engineers, taxi drivers as well as government officials. In the U.S., 48% are millionaires, 98% are college elites. They are paid an average of \$178,000 a year and believe they are responsible for not only the U.S. but world affairs. Ironically, many do not have passports, and most have made only a few trips abroad. Their attention is focused on party politics and being re-elected. In contrast, the economic and demographic diversity of NPC members provides a means of collecting and organizing feedback about the government's performance.

So you have two very different approaches to democracy, but the goal, in theory, is the same. The performance of the systems over the last 40 years could not be more different, as China's economic and social growth attests.

But the ultimate measure of success is the accomplishments of the government and the attitudes of the people. In the U.S., support for the government hovers around 25%. In China, different independent studies and polls, by Pew, Harvard, and Edelman, estimate people's support to be between 82 and 95 percent.

So, counter to this narrative put out by many governments and the media, China is the most successful representative democracy that the world has seen for the last half-century.

In the West, the idea, after World War II, was that the U.S. was going to take control of the world and implement Western-style democratic capitalism in order to avoid another World War.

The premise was that if everybody embraced the same system, everything would be fine. So, democracy and open and free markets were the ends. But the fact is they're just systems, the ends are what is produced and how citizens feel about it. This is a contrast to China's view, that democracy is just a means to the end of good governance.

If you ask people in the U.S. if democracy and free markets were everywhere, what would happen, they would say everything would be fine and life would be good. But it's not born out by the facts and realities. There are free markets and democracy in many countries, and the U.S. has tried to literally overthrow their governments. For the U.S., it's actually not about democracy, free markets, or liberalism, just whether the U.S. approves, or is willing to tolerate another country's governance.

Democracy has not united countries; liberal values have not stopped wars. Economically, free markets have not prevented economic distortions, like monopolies, collusion, and massive inequality.

America's actions, starting wars, interfering in the affairs of other countries, pressing its own economic interests at the expense of others with "America First" slogans have created a post-hypocritical world, where governments and individuals routinely do what they criticize others for doing.

For instance, with the Ukraine situation, the U.S. started a number of wars based on its own "security interests." Afghanistan, Iraq, Syria, the list goes on. It is therefore hypocritical

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for the U.S. to say that Russia can't do the same thing. This is not an exoneration of what Russia is doing. It is simply pointing out that Realpolitik leads to more Realpolitik, resulting in a hypocritical world where diplomacy, the rule of law, and the international order are just used by the powerful to control the powerless.

**TIO** Now that you mentioned the situation between Russia and Ukraine, it's definitely not something that Chinese officials would have hoped for or anticipated, but there's no way for us to escape from this topic. How do you see China cope with the uncertainties in its dealings with international affairs, given that the conflict has already had some negative impacts on global energy prices and also people's everyday lives?

**Tangen** So, let's put it into context. China is sympathetic to Russia's security concerns about NATO's expansion because it faces the same types of pressure from AUKUS and the Quad.

To understand the situation, you need to go back to the fall of the Berlin Wall, the collapse of the USSR, when Russia was assured by US Secretary of State Baker that the EU and NATO were not going to encroach into former Warsaw Pact states.

Let's put aside whether or not an American Secretary of State has the power to make decisions for other sovereign nations.

In the following years, NATO expanded five times, each time over the vociferous objections of Russia.

Now, to the question, what is NATO? NATO was formed as a defensive alliance against the Warsaw Pact. The Warsaw Pact goes away. NATO does not. NATO continues looking for a reason to exist. Blame it on bureaucratic inertia, but since it wasn't disbanded, it went in search of a new mission, that new mission has become Russia.

In 2001, Putin made a speech in Berlin, in German. He said Russians were looking forward to finding a home in Europe. He addressed the NATO issue by applying to join but was rebuffed three times.

Contrast his Berlin speech with his speech to the Munich Security Conference, six years later in 2007, where he said, "We (Russia) have been lied to and humiliated; we no longer support the global world order led by the United States and we will work against it."

So, 15 years ago, the fuse was lit. Over the next 15 years, NATO and the EU continued to expand despite acknowledgment by Biden, Burns, the current head of the CIA, Henry Kissinger, and many others, that expansion of NATO, particularly into Ukraine, would result

in a WAR.

Today, we face the consequences of US “inaction” and Russian action.

China’s understanding of Russia’s situation is based on its own treatment by the U.S.

For years, Taiwan was not really an issue. Things were going along fine—WTO and the One-China Policy. But, as China began to rise, Hong Kong, Tibet, Xinjiang, Taiwan, and the South China Seas suddenly become major political issues. To Beijing, it was part of a multi-pronged attack on China, to contain its rise and force political and economic structural changes, in essence, because China’s success, with a different system, was an existential threat to America’s model of government and an indictment of the use of American Exceptionalism to justify its actions.

Going back to your question about the consequences for China. It is why the 2022 Government Work Report focuses on what Beijing can do domestically in the face of international headwinds. China’s international positions center around supporting the UN-centered international political order and defending the economic gains of the developing world due to globalization. Domestically, China is preparing for food and energy shortages, and price volatility, as it continues to pursue its long-term social, political, and economic goals, following its own path to prosperity.

The outlook for the years following the pandemic was already challenging due to loose money, high debt, rising prices, food shortages, logistic bottlenecks, sanctions, and political uncertainty, the situation in Ukraine is pouring gasoline in a fire that we weren’t prepared to handle in the first place.

**“China’s international positions center around supporting the UN-centered international political order and defending the economic gains of the developing world due to globalization.”**

**TIO** Based on what you said, are you suggesting that the economic sanction on Russia is irrational in the sense they are threatening people's livelihoods?

**Tangen** It's irrational in the sense that the U.S. has been using sanctions for years. If you go back, if sanctions worked, Cuba, Venezuela, Iran, China, Russia would have changed. You would have seen regime changes, economic and ideological changes. It didn't happen.

There have been over 100 packages of sanctions since 2011 against Russia. Has Russia

changed? It actually exacerbated the situation. As they say, the definition of being crazy is doing the same thing over and over again but expecting a different result.

Sanctions instead of creating change seem to have the opposite effect. In Russia's case, it hardened Putin's determination to fight NATO's expansion. In the case of Iran, it derailed more moderate governments from coming to power.

Yes, the Russian people are going to pay a terrible price. But here's the difference. Russia grows more food and has more energy than it needs. It may not have a lot of consumer choices, but it will have food, heat, and the ability to run its economy. Contrast that with many nations, with no involvement in the US-Russian conflict. In Africa, the people and the nations will suffer. They are the ones who are going to go without food, energy, have debt burdens they can't pay because their first priority will be to feed their people. They will be the ones to experience civil unrest as their hungry impoverished people look for new answers to problems that have been caused by others.

In the EU and the U.S., the suffering will be by those at the bottom of the economic pyramid, the ones who won't be able to afford higher food and energy costs.

So, yes, the situation is completely irrational. The "inaction" of the EU and the U.S. that led to Putin's actions will result in misery and tragedy for the world's most vulnerable.

**TIO** It seems like the world is splitting up into two camps of pro-Ukraine and pro-Russia right now. And even if China states that it remains an impartial stance on the situation, people from the West, particularly in the U.S., are saying that it's wrong and that you have to support the Ukrainians. Given that China's ties with the West are already not so promising, how is the war going to affect its relationship with the West in the future?

**Tangen** There is no immediate hope of a thaw in U.S.-China relations because the U.S. sees China's system of government and success as an existential threat.

Russia's actions in Ukraine have added fuel to a fire that has been smoldering for 15 years. The U.S. and EU, despite economic differences, are trying to make the situation about Ukraine a moral litmus test, demanding individuals and countries either support or face repercussions. The difficulty is that the majority of the world's population and landmass did not support the UN resolution against Russia because while the suffering of the Ukrainian people is real, the moral superiority of the U.S. and the EU is not. The jingoistic certainty is, to many, a thin veneer to cover their culpability. If I pour gasoline on a woodpile, I can't say "I'm shocked that it started a forest fire" nor am I entitled to blame others for not putting it out.

All that was necessary was to listen to Russia's security and economic concerns. The solution would have been fairly apparent. The countries in the former Warsaw Pact could have been designated as sovereign and neutral and guaranteed by treaty by both Russia and NATO. Trade with the U.S., Europe, or Russia would have been open and subject to the same terms for each. Instead, we have a humanitarian tragedy, which threatens the existence of the human race.

*This interview was conducted on March 7, 2022 by Kang Yingyue,  
International Communications Officer of Taihe Institute*

# TIO Spotlight Talk



# China and the EU: Partners, Competitors, or Rivals?

## A Dialogue Between Jin Xu and Sven Biscop

Jin Xu



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of International Trade

Sven Biscop



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When it comes to the China-EU relationship, it is hard to describe and summarize it in one word as it has been transforming and shifting so considerably over the past decades. From a significant trading partner to the most important source of imports to the EU, to now a country that is labeled with labels, ranging from partner, competitor, to systemic rival by the EU, China clearly has had an intriguing relationship with the EU over the past 30 to 40 years. What is China's role in relation to the EU? How do we describe the changing dynamics in China-EU relations in light of the events that happened in the past two years? Looking ahead, what can we expect from the relationship?

**TIO** Given the dynamics of the overall relations between China and the EU, could you comment on what you view to be China's past and evolving trends, undergirding Sino-European relations?

**Jin** From my point of view, Sino-European trade relations and political relations are not bad if we compare them with Sino-US relations. China has been the largest trading partner of the EU for many years. We import so many things from European countries, and we also export



**“And now, China has become a global presence. EU-China relations changed as China’s international posture changed.”**

so many things to European countries. We have many investors from European countries, which have their factories, companies, and products here. You see many European products and commodities in both big cities such as Beijing, Shanghai, Shenzhen, and many very remote areas.

We hope that the relations between China and Europe will further improve in the future. We share agreements on many things. We share common viewpoints in a wide range of international affairs. I hope we will have more European businesspeople coming to China. We hope the European Union, as a whole, can be more open to Chinese people, including Chinese tourists, especially after COVID.

**Biscop** To pick up on your last comment, first, less open exchange is definitely a great pity. Even though we are not cut-off thanks to the Internet, the depth of exchange is not quite the same as when you're in person. Usually, I would spend two weeks every year in the summer to teach at Renmin University of China in Beijing and visit different Chinese think tanks and universities. I do hope academic exchange can restart very soon, because it strikes me time and time again that when Chinese students can spend the year in Brussels and Belgian students in Beijing, you can really begin to understand what the other is doing.

And now, China has become a global presence. EU-China relations changed as China’s international posture changed. China has definitely re-established itself as a great power, I would say, at the very latest from 2008 after the financial crisis. There is not a country in the world where China is not present in political and economic terms, and increasingly, therefore, China is also acquiring security interests because if you have global economic and political interests, that brings certain security interests as well. And so, the EU has been adapting, from seeing China mostly as an economic partner and competitor, to seeing it also as a great power. I think the initial position was the fact that China as a great power is normal and natural, when you look at the history of China, its weight, and its science. The fact in itself that China is a great power was not seen as a threat. The question that Europeans pose is: how will China behave as a great power? Will it operate within the rules of the existing world order? Or will it not? I still think that is the basic, mainstream attitude. That is to say, it is perfectly normal that China is a great power and there is not really this idea, as is widespread in the U.S., that the rise of China is in itself problematic. It all depends

on which strategy China will pursue.

There are instances in which interests clash and in which the majority of Europeans feel that China behaves as a rival, because it breaks international law, or because it directly undermines [our] sovereignty. I will just name two examples. One is the South China Sea. That's a very complicated issue. Two is all kinds of hybrid actions against European states from cyber actions to economic coercion, and so on and so forth. Therefore, over time, the EU came up with what I think is meant as a very nuanced approach, which is, well, we are not going to say China is an adversary, because it is also a partner and an economic competitor, but on specific issues, a rival.

And hence this labeling of partner, competitor, and rival. But the precise aim, I think, is to be able to avoid the worsening of tensions and to avoid a disagreement in one area, which necessarily contaminates all other areas. This is still where we are. But for the debate in Europe, the tone is shifting, partially because of the U.S. holding a different view. But I think it is also partially the reaction to certain Chinese actions that came across as very negative in Europe. I think we'll have to see how we can somehow get this back on track and make sure that relations will improve rather than continue to deteriorate as they have in the last year or year and a half.

**TIO** On the point concerning the compartmentalization approach that Professor Biscop highlighted, Professor Jin, do you agree with this sort of idealism concerning the separation and compartmentalization of the relationship? Do you think it's unrealistic? Or do you think it's also something that China is, in fact, open to adopting as well when it comes to setting aside differences and focusing on areas of pure cooperation?

**Jin** First, I don't think I agree with the comment about China undermining the sovereignty of the EU members. There is an old saying in China—do not impose on others what you yourself do not desire. China has always respected the Five Principles of Peaceful Coexistence. Now, in the 21<sup>st</sup> century, we are all striving to construct an international order that is equal and inclusive. No country has the right to stand on a moral high ground, lecturing another country about what to do with their own domestic issues and no one has the right to interfere in other countries' internal affairs. Doing so will not only hurt the relationship between states but also compromise the long-term mutual trust and cooperation that countries have built over years.

China and the EU have already become each other's largest trading partner, meaning that the economies of the two sides are complementary and interconnected and that the relationship is mutually beneficial. We should "strike while the iron is hot" to take China-EU relations to a higher level, living up to the sound foundation of cooperation laid by the

leaders of the two sides and creating a paradigm of international cooperation for mutual benefit and win-win results.

As for economic coercion, my short response is that in international trade, China has always advocated for upholding the rules of WTO, creating a fair and competitive market environment, and never discriminating against any country or enterprise. And so I believe that there is no such problem as economic coercion. I hope that the EU will take an objective and fair stance when dealing with issues that concern China.

On your question about compartmentalization, I think I agree. China and the EU are probably rivals in some areas; but in most areas, we are still partners. In the long run, we should have some basis, for example, when it comes to economic relations and cultural exchanges. Some problems in one area should not affect other areas. For example, we have been talking about the comprehensive investment agreement for many years, but we failed to seal such an agreement. We're still waiting for the day to sign it. Also, even though China is the second-largest economy in the world, I don't think China will become a superpower like the U.S. anytime soon. China is still a developing country. In some areas we are strong and competitive, but in many areas, we are not comparable to the U.S. For example, we have lifted many people from poverty over the past couple of years, but there are still many poor people living in remote areas. In a lot of rural areas, the living standards of people are still very low.

We are still lagging behind in technology and in many industrial products. That's why we are still importing a lot of high-end products from Germany, France, the UK, Austria, and even the U.S., although the U.S. probably doesn't want to export their high-end products to China. China-EU relations should have a much brighter future. Overall, we should not think of each other as an enemy or a rival. If we think of each other as a good partner, that would be beneficial for both parties, and this will bring prosperity to both peoples. That's my idea.

**Biscop** Two things I want to say on that, maybe one in general and one specific. I think specifically on the CAI, what happened from the EU's point of view was that the EU announced the agreement in December 2020, and then in March 2021 sanctions were adopted against China over concerns in Europe about the treatment of the Uyghur citizens of China.

**“China and the EU are probably rivals in some areas; but in most areas, we are still partners. In the long run, we should have some basis, for example, when it comes to economic relations and cultural exchanges. Some problems in one area should not affect other areas.”**

Now, in the logic of compartmentalization, that works, right? You agree on one issue, trade and the economy, yet you disagree over another issue. The EU sanctions were, in reality, mostly symbolic. Then China responded in turn with sanctions, which were much more far-reaching. My interpretation, and I think the interpretation of the majority in Europe, is that the Chinese reaction was an overreaction and broke the logic of compartmentalization by sanctioning so many MPs and MEPs and academics. The result is that those MPs and MEPs will not ratify the CAI as long as they are on the Chinese sanctions list. And I think that is only right. I think China, by responding with far more severe sanctions to the EU symbolic sanctions, broke the logic of compartmentalization. Frankly, I do not see how that is in China's interest, because the EU is the only other global player that is Western, willing to pursue this logic. Why would you try to undo it?

The general point I wanted to make is this: there is confusion about what the term "systemic rival" means. Is it about the different domestic systems? Or is it about the approach to the international system? In my view, what the EU should care about as a priority is the international system. I think that when China, in the view of the EU, goes directly against European interests by violating the rules of the international system, we ought to push back against that. When it comes to China's domestic political system, I think that as a rule, we should not see that in terms of rivalry. For sure there are many aspects of China's domestic political system that the EU does not agree with, and I do think that the EU as a union of democratic states has a moral duty to criticize human rights violations wherever it perceives them. But I do not think that the EU has the moral duty to try and enforce respect for human rights wherever it sees violations. It also doesn't have the leverage for that.

My view of what the EU should do is the following. Whenever it sees human rights violations, criticize them in order to maintain the norm of human rights, but don't adopt sanction after sanction because it is endless. Keep your powder dry and use effective sanctions when we feel that other states are crossing the line in their foreign policy. That's my rather pragmatic view.

**TIO** And this ties us back to the broader point of if we are seeking to rekindle the CAI and to readvance its progress within the European Parliament, what exactly could both sides do? In other words, if we are indeed framing our discussion around this lens of obtaining or ensuring the successes of the CAI, what would you expect from the other side?

**Biscop** We are indeed in a stalemate, and it has been aggravated by what happened with Lithuania and the Chinese reaction that drew in the whole EU. I think of how climbing down the tree simultaneously will be tricky. But I agree that it would be very much in the mutual interest to take the CAI forward and to somehow improve relations again. But I also think that it will be difficult if there is not some opening gesture from the Chinese side because I think what

one must realize is that these sanctions, against members of parliament and academics, are seen as going too far and serve to really unite Europe against China. I think that a first step must be taken by China in order for the EU to be able to move ahead with the CAI. On the European side, that should also be acknowledged; if that step is taken and China drops all sanctions, we should ratify the CAI.

One thing to note is that we should not link it to other issue areas over which we disagree. We should continue to compartmentalize. On the Lithuania issue, which is now an issue in peril, I think Lithuania had the right to leave the “17 + 1” initiative. Nobody can be forced to stay in a format if you think that it no longer adds value. Lithuania wanted the opening of TRO (Taipei Representative Office) on its territory. Several of the EU member states have TROs already, and there’s also one here in Brussels. However, I do think Lithuania, by calling it the Taiwan Representative Office, went too far because everybody knows that it is a very touchy symbolic issue. Symbols tend to push out rationality in favor of emotions and very easily lead to escalation. If the idea was to help Taiwan, I don’t think creating this crisis helps Taiwan in any way. It’s rather instrumentalizing Taiwan to send a message to Beijing. I think it was not very smart of Lithuania to name it this way.

Then again, I do think the Chinese reaction was an overreaction and China should realize that trying to push Lithuania out of the EU single market is not going to work. Again, you unite the whole EU against the Chinese policy. But I do think that maybe on this issue, a compromise could entail that the name of the office is changed—all the other TROs across the EU are called Taipei Representative Office—this is maybe the first move. This could then allow China to drop all of its currently far-reaching measures against Lithuania and the EU as a whole.

**Jin** As Professor Biscop mentioned, “Don’t abuse sanctions.” Use sanctions at the right place, at the right time, and against the right country. If you abuse them, they would not work well. Even when it comes to human rights violations, I think every country has such problems, even in the U.S., the Black Lives Matter movement, for instance. Many black people took to the streets to protest against the government and the police. However, I don’t hear many criticisms from Europe on such things. Professor Biscop, could you give us some examples of human rights violations? Have the EU criticized American human rights problems?

Another point I wish to pick up on in your previous comment is the reason for the CAI’s suspension. The whole thing about the so-called Xinjiang issue was part of the deliberate plan of the U.S. to concoct with anti-China forces to contain China’s development by means of spreading lies and conducting disinformation campaigns. I wonder how many of those in Washington have actually been to Xinjiang. Their accusations have completely disregarded China’s achievements in human rights development in Xinjiang and other places over the

past few decades to maintain regional security and stability and advance prosperity. And the fact that the EU was not only willing to follow suit but has actually been supporting the U.S. in containing China by sanctioning China and suspending the CAI, which is supposed to be beneficial to the European people, is simply astounding. In this case, China has to respond. The aim of our action is two-fold. One is for cautionary purposes. The other is to show China's resolution in defending our long-lasting principles of foreign policy. I hope that the EU can understand the situation at hand clearly. I hope it can uphold a diplomatic strategy that is independent from the American stance.

Now regarding the sanctions that led to the suspension of the CAI, the EU made the first move by sanctioning relevant personnel and institutions in Xinjiang based on some trumped-up charges. China was not allowed to respond and fight back, and then the EU attributed the cause of the frayed relationship between the two sides entirely to China. This is the first time the EU has ever imposed a sanction on China, and I have to say again that this act totally disregarded the interests of the European people, and that joining the US-led group against China is just an act of "shooting itself in the foot." Now, I cannot help but wonder what do you mean by "strategic autonomy"? This is rather perplexing as it is hard for me to comprehend this policy move, because where you are heading is essentially counter to what your people want, namely, a better life. Moreover, the European Parliament even intensified the sanctions and canceled the review of the CAI to "force" China to lift sanctions vis-à-vis the EU side. I think this kind of coercion is meaningless. The CAI is not a "gift" from the EU to China or the other way around. And, about how the agreement eventually turned out, I can only express regret.

**Biscop** There are clearly concerns in Europe and we do have a lot of debates here also, about the Black Lives Matter movement, for example, or the current situation at the U.S.-Mexico border, which actually gets a lot of media coverage. Also, I think what gets more attention on our side, for example, is the situation of refugees trying to reach Europe that are staying in

**“I wonder how many of those in Washington have actually been to Xinjiang. Their accusations have completely disregarded China’s achievements in human rights development in Xinjiang and other places over the past few decades to maintain regional security and stability and advance prosperity.”**

camps, either within the EU or on the EU borders, very often in very deplorable conditions.

So, for sure, this is not a black and white picture. I think as a first step, every player should make sure that they live up to their own values at home. I fully agree. I also think that some players instrumentalize human rights for geopolitics and some actors will criticize China more, because they see China as a geopolitical rival and see human rights as an instrument to be used against China. That happens too. But personally, I think every situation should still be judged on its own merits, right? There are definitely serious human rights issues in the U.S. and in the EU that should also be assessed. That said, the situation in China should also be assessed on its own merits. That is how I would try to formulate a nuanced view about this.

**TIO** Now let's talk about the U.S. Professor Jin noted that we need not let the U.S. get in the way of things when it comes to China-EU dynamics. But Professor Biscop noted that inevitably, with the hardening stance and hawkishness from Washington, we are seeing this creep of tension into the Eurasian relationship. Is it possible to keep the U.S. out of the Sino-European relationship for the sake of both China and the EU?

**Biscop** I think it's not possible, because the U.S. is another great power and global player. What the U.S. does, or doesn't do, has such a great impact on any aspect of world politics—the same applies to China. Therefore, it is impossible to keep the U.S. out of this relationship. So, my view on this is, again, that I try to be very, very nuanced. The EU is not and should not look for an equidistant position between the U.S. and China. In terms of history, culture, the way of life, and the type of society, we are obviously closer to the U.S. and will likely remain much closer to the U.S. for a long time to come. There is a clear preference in Europe to pursue our interests together with the U.S. whenever possible. But increasingly, there is the awareness that US interests are not always the same as European interests, because the starting position is different, specifically when it comes to China. Whereas the U.S. sees China as a rival to its own position as a great power, the EU does not. It sees China as a great challenger, but not really as a rival to its own position in global politics.

So I think the EU has, over the last couple of years, positioned itself as an independent player that is close to the U.S. but conducts its own assessment, and that is not just following the U.S. It has crafted its own approach, notably this partner-competitor-rival idea, which is quite different from the US strategy. I dub this approach: "cooperate when you can but push back when you must." For the U.S., it's a bit the opposite. It's "push back when you can and cooperate when you must".

So, I think this is how the EU should try to continue: it should start from its own interests and its own priorities, interacting with both the U.S. and China and also making it clear to



**“...I think this is how the EU should try to continue: it should start from its own interests and its own priorities, interacting with both the U.S. and China and also making it clear to the U.S., much more proactively, what the EU strategy is.”**

the U.S., much more proactively, what the EU strategy is. In the past, I think we were often a bit too reactive. Now we have to be more proactive. I think now we are still waiting: what is the US strategy towards China? What was made very clear during the Trump administration was that the US strategy seemed to be “make China small again.” Well, that is not going to happen. If that's your strategy, it will not work, so you're set for a rivalry without end. I think the Biden approach is different, but it is still not so clear what the strategic objective is vis-à-vis China. I think for the EU, we should be clear that our objective is to work with China within the rules of the current world order. As long as that is possible, as long as China pursues its legitimate interests in legitimate ways, we should try to achieve that.

**Jin**

I traveled and worked in European countries. I also stayed in the U.S., in San Francisco and Boston for some years. I would say I know something about the U.S. More and more Chinese people believe that if Americans can keep their hands off, China-EU relations could be better. A lot of trouble between China and Europe did not result from either China or Europe. Much of it was because of the U.S. Chinese people increasingly believe that Washington is not happy about Sino-European relations getting better because we are in a competition. The Americans would benefit if China and the EU fight against each other, and if we compete with each other. I think speaking from the core interests of Europe and China, we should not let the U.S. get in our way. We should strive for a brighter future by creating more opportunities for economic and cultural exchanges. And this should involve more groups and individuals including the business sector. For example, after the two sides gradually ease their border control, we should have more investors coming to Europe and to China. We should also encourage tourism. And, of course, we should have more high-level exchanges that could help improve relations. We should acknowledge our common interests and areas of agreement. Too much attention on disagreements will only reinforce the chasm between the two sides and reluctance to improve relations. In China, we have a saying “*qiutong cunyi* (求同存异)” — “seeking common ground while shelving differences.” If we pay much more attention to the cooperative parts of our bilateral relations, the future would be brighter.



**TIO** The EU, for the long and short of it, is not a unified entity. It's very diverse in many ways, comes in many shapes and forms with different countries, and adopts different political cultures, civic cultures, and values. Professor Biscop, how can China and the EU, as a collective, make the most productive use of such pluralism, to achieve "*qjutong cunyi*"?

**Biscop** The EU is heterogeneous. It has 27 member states with their own history, geography, and culture. But at the same time, whenever I move out of Europe, I feel distinctly European, more so than Belgian. Therefore, I would not overstate that heterogeneity. In terms of culture, there is a European cultural space. A space, where we all read each other's authors, listen to each other's music, and watch each other's films. There is also an enormous amount of travel, with people working and studying across the EU. In terms of the economy, it is one entity. I always say that even the bigger member states are in a way provinces of the EU single market, and the border that counts is not so much the national border anymore. It is the border of the single market or the border of the eurozone that really determines our security and prosperity.

So, I do think the EU is a state-like organization. It's obviously not a state, but it's also not just an international organization. It's a state-like organization. Clearly, the EU works best where it is most integrated, which is the economic sphere. In the diplomatic and defense spheres, it remains entirely intergovernmental. Everything is done by unanimity. Many member states still do not have a sufficiently European reflex. They would play the national card first until they realize that it doesn't work.

But I do think that the trend still indicates a convergence of interests of these member states, and therefore, an "ever closer union" if you use the term from the treaty. If you are another global power, you may well think it's in your interests to divide the EU to play up the divide. But is that really in the Chinese interests? I'm not sure. I do think that it is very much in China's interests to have a strong EU with a strong commitment to multilateralism, which is more beneficial to China. If there is no European Union, China would only have Washington and Moscow to deal with.

**Jin** Chinese leaders stressed many times, almost every year, that China hopes the EU could be more united and stronger. In terms of China-EU relations, the two sides should try their best to fulfill their commitments to help each other and encourage more exchanges and cooperation. My suggestion is: do not let other things interfere too much with the promising areas and meanwhile do not infringe upon China's core interests. Again, China and European countries have very different cultures and so oftentimes, the same matters would have different levels of sensitivity. An outstanding example is salary. In the West, questions concerning income or salary are very sensitive to individuals as this is considered private, though, like me, many people in China may be more willing to be open up about

such matters. I think the logic is the same.

So, let us not always think of each other as geopolitical rivals. We can be competitors. For example, we are business competitors with Europe. This is normal. Even within Europe, states compete with each other. The UK and France, the UK and Germany, and Germany and France. This is understandable. But we should try our best not to exaggerate the competitive elements, and not to let the competitive part overwhelm the cooperative part. That's my idea. During the winter, many Chinese people go to Switzerland to ski. Last month, when we were in the middle of the Winter Olympics, China invited a lot of people to come to China for the Games. These are the kind of exchanges that have been lacking in recent years, due to the pandemic and other reasons. And these are the exchanges that should be promoted.

**TIO** Now, let's bring our conversation to the now and what's happening right now. We've seen leadership turnover in European countries like Germany and France. I guess a question to consult you both on is: what are the implications of such leadership or cabinet turnovers in European countries, especially major European countries, along with the implications on Sino-European relations, if any at all?

**Jin** My stance is always that one should not overstate this. Angela Merkel made a major contribution to European policymaking. She was the chancellor for a long time. Obviously, new governments can bring a change in policy, sometimes a radical change. But it seems to me, that in the case of Germany, France is still the core of the European project. I can imagine that there will be some hefty debates within the German government about some sensitive topics. But by and large, it seems that the government is continuing the same pragmatic course that the previous government set. And now we also have presidential elections in France. I suppose the likeliest outcome is for Macron to be reelected, then it will be very important for the French and German governments to find an alignment on some core topics, something they have been trying to do these days.

For example, Macron went to Germany and met Chancellor Scholz to align their positions on Ukraine and Russia. But again, this is a union of 27 member states. Rebalancing is just how it works. However, I do not expect that these changes in government will lead to any big shifts in the policy towards China. Other factors might, but not the changes in government.

**Biscop** I appreciate your view. The EU is a union of 27 countries, and it represents a relatively new form of governance. We also hope that the government changes at the member state level will not affect our relations, neither our political relations nor our business relations. Our relations should remain focused on the long run. Therefore, we should adopt a more sustainable strategy and a broader outlook that focus on the long-term.

**TIO** On that note, the follow-up question for Professor Jin is: do you think there's room for China to consider, modify, or recalibrate the way it engages with individual members of the EU states, such that there could be a more harmonious and constructive relationship going forward? And, for Professor Biscop: to what extent do you see this stability of independence from individual state politics or a national politics phenomenon plays out historically when it comes to EU stances on foreign policy?

**Jin** China respects the EU as a unity, and we also respect the member states individually. We have close cooperation with the EU and the states. We attach great importance to the bilateral cooperation with the EU and also with the individual countries. When it comes down to specific sectors of cooperation with the Chinese counterparts, each country has its own requirements and demand for Chinese products. The same applies to China. China imports cars from Germany and France but we import wool from other countries since every country has its own comparative advantages. So, of course, there's room for improvement in China's relations with different European states. But the approach can be different based on the different audiences we are dealing with.

**Biscop** As I said, the EU is a state-like organization. I personally am a Euro Federalist. I would like to see the EU evolve toward a fully-fledged federal state. But within that federal state, you would still have member states. In my view, it would make sense that increasingly, we would develop a single common foreign policy, a single defense policy, but that will be a very slow evolution.

So, I think there will be a complex interplay between the EU level and the level of member states, especially in diplomacy and defense. Where I think things will move faster is in the economic sphere due to converging interests. For example, as we have mentioned geopolitics, there is also geo-economics, and increasingly, the great powers are positioning themselves towards each other in the economic field.

So, controlling who can do what on your market, investment, creating subsidies, but also deterring and defending against all kinds of hybrid actions from economic coercion, cyber-attacks, corruption, to fake news and so on. Increasingly, these are tools that you have to use at the EU level, and then that will entail a shift of authority to the European Commission. Therefore, I see a really important area where I expect

**“China respects the EU as a unity, and we also respect the member states individually. We have close cooperation with the EU and the states. We attach great importance to the bilateral cooperation with the EU and also with the individual countries.”**

**“...we have to take the partner bit of the partner-competitor-rival relationship seriously and look for shared interests and open up new domains for multilateral cooperation, in the sense of bringing on board other countries and taking initiatives.”**

more integration to happen in the short to medium term. In the diplomatic and defense sphere, I fear it will continue to move slowly, even though it would be very much in our interest to integrate to the same extent we have integrated into the economic area.

**TIO** Thank you. The last focus of our discussion is about the non-economic spheres, including cultural exchanges, technological collaboration, and educational synergy. These are domains in which both China and the EU could do more in rendering themselves open to the current paths, so to speak. Professor Biscop, and then Professor Jin, what are your thoughts on how China and the EU could collaborate beyond trade and investment in other domains as well?

**Biscop** That’s a good point. I don’t have a Nobel Prize-winning answer to that, but I do think we have to take the partner bit of the partner-competitor-rival relationship seriously and look for shared interests and open up new domains for multilateral cooperation, in the sense of bringing on board other countries and taking initiatives. I definitely think of everything related to the green transition. But I would also think about connectivity. There’s the Belt and Road Initiative and on the EU side, there is the Global Gateway. Perhaps we should prioritize the target countries and consider: what are their needs? How can the different connectivity projects of the great powers contribute to them so that they won’t develop into competing projects? I think the whole connectivity sphere will be massively interesting, and definitely the ecological climate sphere as well.

**Jin** I still am very optimistic about the CAI, and we believe we will have a good result. I recently read some data from a European newspaper, and it suggested that Chinese consumers bought more luxury goods from European countries last year. It shows that even with COVID and other factors that are supposedly obstructing our bilateral relationship, Chinese consumers love your high-quality products and brands. So, aside from the areas that Professor Biscop just mentioned—tourism, and also student exchanges—those areas that are of utmost concern for ordinary Chinese and European people, are areas that should be

promoted by the two sides for furthering mutual understanding and advancing prosperity. Another important thing to note is for China and Europe to overcome COVID hand-in-hand. It is critical for the two to collaborate on scientific and technological advancement, as viruses don't respect borders, and so the two should join efforts in making sure that emergencies like the pandemic are tackled efficiently.

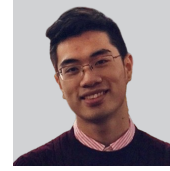
*This dialogue was moderated by TI Youth Observer and PhD candidate at Oxford University Brian Wong Yueshun and International Communications Officer of Taihe Institute Kang Yingyue.*

Youth

Voices



# The 2022 Two Sessions—11 Million New Urban Jobs, Female, and Gig Workers Protection



**Gao Zihao**

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For the current round of Chinese university graduates, securing an ideal placement in a tightening employment market poses real challenges. China is currently facing a trinity of market pressures: contraction of demand, supply shocks, and weaker expectations. As such, this year's annual Two Sessions have produced many suggestions and decisions focused on government solutions to assist job seekers as they navigate employment market difficulties.

In addition to the proposed package of employment solutions, the 2022 Two Sessions took on future employment headwinds facing the Chinese economy. As expected, the annual Report on the Work of the Government, which set the domestic political agenda and projects future economic growth targets,<sup>1</sup> prioritized the need to stabilize employment, met the needs of people's basic living requirements, and secured the economy against risks that may imperil the future of the Chinese people. The new emphasis on employment measures by this year's Two Sessions was summarized as the "employment-first policy."

Three perspectives distinguish the new employment-first policy: demand-side policies (to broaden employment channels), supply-side policies (to better serve the needs of the applicants), and anti-discriminatory policies (to protect women and vulnerable groups). Especially noteworthy is that this year's Two Sessions emphasized social

<sup>1</sup> Details of the targets can be accessed at "Report on the Work of the Government," pp.11. <https://english.news.cn/20220312/896e-1411ba1445679f136dc-c9cd4d393/c.html>

insurance and protection policies for independent contractors, such as gig-economy workers and short-term employees, thus putting people first amid the challenges of the new employment environment. These new emphases on the new employment-first policy raise the three following questions:

1. How can China's supply-side adjustments generate over 11 million new urban jobs in 2022?
2. What are the employment policies for new college graduates, young entrepreneurs, and gig workers?
3. How can China progress in its efforts to eliminate employment discrimination, including gender and age restrictions?

In response to the first question, unlike many countries which pass the responsibility of protecting the unemployed from the supply-side to the market-side via unemployment insurance, China's Two Sessions emphasized the role of the government to promote employment. Dai Yuanhu, Director of the Department of Human Resources and Social Security in Jiangsu Province, which has the second-largest GDP of China,<sup>2</sup> has summarized China's supply-side policies on employment as follows:

"Firstly, we aim to strengthen the government's responsibility to promote employment; secondly, the policy formulation is oriented to strengthen the synergy between employment policies and fiscal, industrial, financial and social policies, and the pulling effect on employment should be fully considered in the formulation and evaluation of various policies; thirdly, we should prioritize employment services as the first and foremost practical work for the people."<sup>3</sup>

In other words, the policies adopted at the 2022 Two Sessions, including the new fiscal and monetary policies, will regulate the demand-side of the job market to provide employment priority and stabilize the employment market organization.

Importantly, a stable market allows the supply-side of the job market to regain full capacity. Zheng Yali, a representative of the National

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2 Data collected from People.cn, <http://zj.people.com.cn/n2/2022/0126/c186327-35113720.html>

3 Interview by News.cn, "(两会财经聚焦) 2022, '就业优先' 如何落实落细?" [http://www.news.cn/politics/2022lh/2022-03/07/c\\_1128447750.htm](http://www.news.cn/politics/2022lh/2022-03/07/c_1128447750.htm)



People's Congress and President of Zhejiang Financial College, noted, "The economy is steadily recovering, but there are still some industries and enterprises whose production and operation have not yet fully recovered. In addition, the structural contradictions in employment have not been fundamentally alleviated, and the concurrent phenomena of 'employment difficulties' and 'recruitment difficulties' still exist."<sup>4</sup> The millions of market entities, which support hundreds of millions of people in employment, are bolstered by business pioneers who strive to be successful entrepreneurs. The 2022 Government Work Report also emphasized a "dual focus" that stabilizes employment by steadying market entities and enhancing the role of entrepreneurship in driving employment.

Importantly, a stable market is underpinned by robust MSMEs (micro, small and medium-sized enterprises). In addition to the policy support for enterprises listed in the Government Work Report,<sup>5</sup> China will extend temporary policies such as reductions to premiums for unemployment insurance and worker compensation. Moreover, the government will continue the policy of refunding unemployment insurance premiums for enterprises that make no cuts or minimal cuts to staff numbers, with a marked increase in the proportion of refunds going to MSMEs. "This year, Jiangsu's rebate ratio for MSMEs can be raised to a maximum of 90%," said Dai Yuanhu.<sup>6</sup>

In response to the second question, in order to address the employment issue of the expected 10.76 million college graduates in 2022, the Government Work Report has proposed stronger policy support and uninterrupted services in an effort to ensure improved conditions for job seeking or creating start-up businesses. For example, the Ministry of Human Resources and Social Security said in February this year that the employment of college graduates and other young people would be a top priority for policy-making. The key goals included increasing employment support initiatives for MSMEs that could best absorb graduates by the implementation of a million youth apprenticeship recruitment program, simplifying and optimization of employment procedures for graduates, and a multiplying approach to the market-oriented social employment channels.<sup>7</sup> Zheng Yali has also suggested that the government should expand employment locations and introduce more policies and initiatives that can motivate college students to work in small and medium-sized cities, grass-roots units,

4 Ibid.

5 The details of the Report on a new package of tax-and-fee policies to support enterprises can be accessed at "Report on the Work of the Government," pp. 15-16, <https://english.news.cn/20220312/896e-1411ba1445679f136dc-c9cd4d393/c.html>

6 Interview by News.cn, "(两会财经聚焦) 2022, '就业优先' 如何落实落细?" [http://www.news.cn/politics/2022lh/2022-03/07/c\\_1128447750.html](http://www.news.cn/politics/2022lh/2022-03/07/c_1128447750.html)

7 "人社部: 今年将高校毕业生等青年就业作为重中之重," <http://society.people.com.cn/n1/2022/0222/c1008-32357174.html>

and MSMEs.<sup>8</sup>

Importantly, the new economy has generated significant changes to the workforce in recent years, including delivery drivers, take-away riders, and ride-share drivers. These new and more flexible employment channels in China have presented working opportunities for approximately 200 million people. The Government Work Report further proposed improvements to social security policies for flexible employment and to carry out pilot projects on occupational injury protection for the new flexible workforce:

“We will do more to promote business startups and innovation initiatives and improve the service capacity of entrepreneurship and innovation platforms. We will improve services and social security policies concerning flexible employment and launch trials of occupational injury insurance for people in new forms of employment. We will work hard to prevent and stop gender, age, and education discrimination in the workplace in order to create a fair employment environment. We will strengthen oversight and enforcement of labor protection laws and focus on addressing acute issues that are infringing upon employees’ lawful rights and interests.”<sup>9</sup>

China is counted among pioneer countries that have proposed protections for gig-economy workers, flexible employees, and independent contractors. Li Dongsheng, Chairman of TCL Group, said, “Since the Internet platform employment relationship is complex and difficult to be included in social security, in order to regulate the labor contracts of flexibly employed people and protect their legal rights and interests, an independent and coordinated insurance platform for flexibly employed people can be set up within the national social security system, with clear payment standards to continuously improve their enthusiasm to participate in insurance.”<sup>10</sup>

<sup>8</sup> Ibid.

<sup>9</sup> “Report on the Work of the Government,” page 17-18, <https://english.news.cn/20220312/896e-1411ba1445679f136dc-c9cd4d393/c.html>

<sup>10</sup> “人社部：今年将高校毕业生等青年就业作为重中之重，” <http://society.people.com.cn/n1/2022/0222/c1008-32357174.html>

In another key step, the government opened channels for gig-economy workers to gain new skills and therefore new working opportunities, while encouraging companies to keep their employees through adaptive fiscal policies. A total of RMB 100 billion, from the unemployment insurance fund, will be used to support enterprises in maintaining stable payrolls and to provide training programs. Moreover,

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the government will continue to train skilled workers for high-quality development of manufacturing. These efforts not only enable more workers to acquire marketable skills but promote the retention of large numbers of talented people across all sectors of the economy.

In response to the third question, gender discrimination, employment preference for new college graduates and incomplete employee disclosure are significant obstacles for many job applicants. The 2022 Government Work Report has proposed to resolutely prevent and correct gender, age, and other employment discriminations in order to create a fair employment environment. These discriminations prevent both young and middle-aged people from flourishing and their families from expanding. A fair employment environment is essential to helping workers of all ages to develop their skills and fulfill their potential.

He Dan, Director of the China Population and Development Research Center, was concerned that the extension of maternity leave might generate risks of employment discrimination against women. According to He, "The extension of maternity leave must be affirmed, but at the same time there is a need to well coordinate all aspects of the policy, and also to advocate the implementation of a flexible work system to minimize the impact of women's childbirth on themselves and their companies."<sup>11</sup>

Jiang Shengnan, a researcher at Wenzhou University, believed that any increase in the disparity between the length of maternity leave and paternity leave would reduce the willingness of professional women to have children. This maternity/paternity leave disparity, which might exacerbate employment discrimination against women due to childbirth, might also not be conducive to increasing male participation in childcare. In order to give husbands more time to care for their wives and newborns, it was recommended that paid paternity leave be increased from 30 days to 42 days.<sup>12</sup>

Amid the challenges and difficulties identified in the current employment market, the robust and responsible government response, which aligns with the diligence of the citizenry, regardless of their age, gender, and working positions, ensures the peaceful order of the Chinese commonwealth. Chinese businesswoman Dong Mingzhu, President of Gree Electric and a female entrepreneurial role model, has

<sup>11</sup> Ibid.

<sup>12</sup> "给男性延长育儿或陪产假, 从建议到现实有多远," China News, <https://www.chinanews.com.cn/sh/2022/03-06/9694036.shtml>



Potential job candidates read information on employment opportunities at the autumn job fair for 2021 college graduates in Shanghai, China, Oct 28, 2021.  
Source: <http://english.www.gov.cn/>

commented on the spirit of China's youth.

"[I]t is necessary for young people to have the spirit of perseverance and courage to face sufferings. Although we live in an age of material abundance, we cannot lose our dreams and ambitions. Only after experiencing repeated challenges and all kinds of hardships, young people can survive any difficult times with unshaken optimistic mindsets, so that they can put their wisdom to good use in their future life."<sup>13</sup>

13 "(两会青年问答)董明珠:应该让年轻人选择喜欢干的事情" [http://www.news.cn/talking/2022-03/10/c\\_1211603050.htm](http://www.news.cn/talking/2022-03/10/c_1211603050.htm)

# Digital Trust and Digital Social Order—Message from the 2022 Two Sessions



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The annual “Two Sessions” in China are often held up as a barometer to signal what social issues the Chinese government is looking to tackle for the future. Mainly set up as a meeting of the National People's Congress (NPC) and the National Committee of the Chinese People's Political Consultative Conference (CPPCC), it is an important event for China analysts to take note of, as it is the only annual meeting of these two important players in the PRC's political system.

As the country hopes to leave the COVID era behind and new international challenges arise, the Two Sessions have become increasingly important as a window through which the international community looks at China. A vast number of topics have been discussed, from military to economy, and from infrastructure to social issues. Among them, proposals that push societal changes have caught more attention from the public than political and economic ambitions. And among all the proposals, those that concern Internet supervision particularly stood out.

With the rise of different social media platforms, there have been talks of a major change in the way people's personal data is collected and shared as well as social media's effect on the minds of individuals, especially young people.

This trend has been exacerbated since the outbreak of COVID-19 when





Illustration of Metaverse  
Source: www.theguardian.com

contact-tracing apps are widely used to monitor people's real-time location, and people's daily activities such as shopping, which has been moved completely online.

So far, there has been growing evidence that suggests that certain social media are having an adverse effect on developing minds. For example, Mark Zuckerberg has been under public scrutiny with his "Meta" rebranding and the effects his platforms (Facebook and Instagram) may have had on the minds of teenage girls.

This is in addition to the rise of the spread of hate speech, amplifying far-right rhetoric in the West. While the apps (Facebook, Twitter, etc.) are not currently available in China, the rise of cyberbullying, comparable to the "cancel culture," has been a hot-button topic in China. This *faux pas* could have a massive lasting effect on society.<sup>1</sup> Naturally, digital life has become a prime focus of the 2022 Two Sessions.

With the rise of such phenomena, the NPC looked at both internal Chinese reports and Western work on the health effects of social media. Gao Yu, an NPC deputy, noted the development of a "digital trust" policy that aims to maintain "digital social order" and promises a crackdown on "abuse of personal data" and "implementation of a personal information protection law."<sup>2</sup>

1 Bingqing Yang, "China's Nationalist Cancel Culture." *The Diplomat*. Sep. 05, 2021, last accessed Mar. 14, 2022. <https://thediplomat.com/2021/09/chinas-nationalist-cancel-culture/>

2 Liang Si, "Ask Two Sessions: How do we build 'digital trust'?" *CGTN*. Mar. 9, 2022, last accessed Mar. 15, 2022. <https://www.youtube.com/watch?v=MZy4ZewX-0JU&list=LL&index=2>

Wei Shizhong, Vice-Chancellor at Henan University of Science and Technology, and a member of the National Committee of CPPCC, elaborated in his proposal, “There have been many legal explanations and corresponding punishments regarding cyberbullying in China...However, due to the implicitness of online behaviors and the low legal cost of such practices in reality, the law enforcement and rights protections in such cases are facing challenges.”<sup>3</sup> Wei’s argument was echoed by industry experts as well. Li Xuezheng and Wang Yong, who have witnessed how the serious impacts cyberbullying has caused on society, referenced the “813 incident” last year—a controversy around a photo of a Chinese celebrity Zhang Zhehan visiting the Yasukuni Shrine in Tokyo, Japan, which shattered Zhang’s career and led to the “cancelation” of Zhang on the Internet. The photo eventually turned out to be deliberately altered by the “Internet Water Army”—fake accounts created to manipulate online comments—in order to reduce rivalry in the name of nationalism.<sup>4</sup>

With Zhang’s case returning to public eyes with a different direction during the Two Sessions, Wei’s proposal to “include serious cyberbullying into criminal charges” gained wide support from Chinese netizens, urging for stiffer regulations and heavier punishments for cyberbullying to be introduced.

Moreover, in recent years, as metaverse became a buzzword in the tech world, Chinese tech titans such as Tencent, ByteDance, and Baidu have already applied for patents related to the metaverse technology developments, bringing issues related to data security, information protection, and speculation to the fore.

Unsurprisingly, these issues were featured at the Two Sessions. Zhang Ying, a member of the CPPCC said that China’s metaverse focused too much on entertainment experience upgrades and lagged behind in key technology developments.<sup>5</sup> There is a desperate need for regulation, Zhang emphasized.

Kong Falong, a deputy to the NPC and Party Secretary of a rural credit cooperative in the southeastern Jiangxi province, shared a similar view. Kong held that by pouring more investment to nurture talent and support metaverse technology developments, the country could take a leading position in the new race. Yet, the sector should be regulated appropriately so that personal information is secured and individuals can navigate the web safely.<sup>6</sup>

3 “Cyberbullying under spotlight as delegates arrive for China’s ‘two sessions.’” Daoinsights. Mar.7, 2022, last accessed Mar. 16, 2022. <https://daoinsights.com/news/cyberbullying-under-spotlight-as-delegates-arrive-for-chinas-two-sessions/>

4 Ibid.

5 Timmy Shen and Ningwei Qin, “‘Metaverse’ enters government radar at China’s Two Sessions.” Forkast. Mar. 7, 2022, last accessed Mar. 17, 2022. <https://forkast.news/metaverse-government-radar-china-two-sessions/>

6 Ibid.

It is suggested that the Chinese government is trying to pass a law that functions similarly to the General Data Protection Regulation (GDPR), a regulation in EU law on data protection and privacy in the EU and the European Economic Area. Abuse of personal data by third parties has become an important area of debate in the West, with many countries following strict GDPR guidelines to help stem the growing number of identity theft cases and information leaks. To stay attractive to the West after COVID-19 and the precarious situation with Russia, China may be aiming to take more steps not to decouple, but to legally align itself more to existing international rules and regulations.<sup>7</sup>

Ultimately, the future is filled with uncertainties. However, the Two Sessions can lead analysts to a far better understanding of how the Chinese government develops policy and legislation and how laws are implemented. For the West, the internal workings of the Chinese government can be quite opaque, and the meetings can seem dense and challenging. But as mentioned before, the Two Sessions can be seen as a litmus test of what issues are concerning the people and the ruling party. It is a major event that shows how China's governing methodology has developed over the years. In other words, to find a place for future cooperation with China to take place, the world should look to the Two Sessions to find inspiration.

<sup>7</sup> Eddy Bekkers and Sofia Schroeter. An Economic Analysis of the US-China Trade Conflict. World Trade Organization, Feb. 26, 2020.



# Advancing Gender Parity in the Chinese Workplace



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In 1995, Beijing hosted the Fourth World Conference on Women in which the international community joined together to promote women's inclusion in all aspects of government and society.<sup>1</sup> The Conference marked a turning point for the global agenda in gender equality. The Beijing Declaration and Platform for Action adopted at the Conference has become the blueprint for advancing women's equality and empowerment around the world.

Since the Beijing Conference, the world has experienced both progress and setbacks in gender equality. The Global Gender Gap Index of the World Economic Forum (WEF) measures gender equality across four key dimensions—economic participation and opportunity, educational attainment, health and survival, and political empowerment. According to the 2021 report, it will take another 14.2 years to close the global gender gap in educational attainment, whereas it will take, respectively, 267.6 and 145.5 years to completely close the gender gap in economic participation and opportunity, and political empowerment.

Currently, China ranks 107 out of 156 surveyed countries on the WEF's index for 2021.<sup>2</sup> Gender disparities and discrimination persist and remain a cause for concern for many Chinese women, especially the ones in the workforce. According to a research published by the Peterson Institute for International Economics, while the gender gap in labor force participation rates in China was 9.4 percentage points in 1990, it became 14.1 percentage points in 2020.<sup>3</sup> At the same time, the gender wage gap has also widened despite the narrowing gender gap in educational attainment.<sup>4</sup> As the premier forum for proposing, discussing, and formulating future national policies, this

- 1 "Fourth World Conference on Women," United Nations (United Nations), accessed March 23, 2022, <https://www.un.org/en/conferences/women/beijing1995>.
- 2 "Global Gender Gap Report 2021," World Economic Forum, accessed March 23, 2022, <https://www.weforum.org/reports/global-gender-gap-report-2021>.
- 3 Yiwen Zhang and Tianlei Huang, "Gender Discrimination at Work Is Dragging China's Growth," PIIE, January 6, 2021, <https://www.piie.com/blogs/china-economic-watch/gender-discrimination-work-dragging-china-growth>.
- 4 Junxia Zeng et al., "Gender Inequality in Education in China: A Meta-Regression Analysis," *Contemporary Economic Policy* 32, no. 2 (2013): pp. 474-491, <https://doi.org/10.1111/coep.12006>.

year's Two Sessions provided an opportunity to address wide-ranging policy issues, one of which being the gender gap in the workplace. With references to relevant proposals brought by delegates to the Two Sessions, this article introduces a three-pronged approach that can be further applied to address gender inequality in the workplace in the Chinese society.

**Equal Paternity Leave.** Under China's Regulation on Labor Protection of Women Workers, women are entitled to 98 days of maternity leave. Depending on the province, maternity leave lasts for up to 128 or 158 days.<sup>5</sup> Albeit well-intentioned, such designs have inevitably led to growing discrimination against women by employers, which is especially evident in hiring practices and considerations for potential promotions.<sup>6</sup>

Without a nationally mandated equal paternity leave, which currently goes up to a month at most depending on provincial legislations, the drastic difference between maternity and paternity leave reinforces employers' negative perceptions about women, with respect to both productivity and efficiency.<sup>7</sup> As a result, employers increasingly favor men over women in recruitment and promotion, convinced that because men carry fewer childcare responsibilities, they can spend more time working and therefore generate greater returns.

The existing leave policy reflects a dangerous acquiescence in the stereotype that portrays women as the primary caregivers of their children, while both men and women should share the burden of childcare equally. Instead of extending the maternity leave that results in a weakened candidacy from the perspective of the recruiter, mandating an equal paternity leave for new fathers should take priority.

Recognizing this, delegates made several policy recommendations to the Two Sessions in the lead-up to the agenda-setting meetings. For instance, NPC (National People's Congress) representative Jiang Shengnan believes that new fathers should get at least a month of paid paternity leave as opposed to the current norm of 15 days in major cities. "Both husband and wife share the responsibility of parenting," Jiang said in an interview with the state-run China Women's News.<sup>8</sup>

During these meetings, in order to complement the maternity and paternity leave policies, the CPPCC (Chinese People's Political Consultative Conference) also discussed childcare-related incentives including making childcare-tax

5 Fan Wu, "China1 - Leavenetwork.org," accessed March 23, 2022, [https://www.leavenetwork.org/fileadmin/user\\_upload/k\\_leavenetwork/annual\\_reviews/2019/China\\_2019\\_0824.pdf](https://www.leavenetwork.org/fileadmin/user_upload/k_leavenetwork/annual_reviews/2019/China_2019_0824.pdf).

6 Shuzheng Zhou and Ruohao Chen, "Using Education to Enhance Gender Equality in the Workplaces in China," *Open Journal of Social Sciences* 07, no. 09 (2019): pp. 259-272, <https://doi.org/10.4236/jss.2019.79020>.

7 Fan Wu, "China1 - Leavenetwork.org."

8 "Human Trafficking, Parenthood and Plastic Surgery: China's Parliament Proposals," *France24*, March 2, 2022, accessed March 24, 2022.

deductible, subsidizing education for larger families, providing subsidies and tax breaks for employers who retain jobs for pregnant mothers, offering increased support for preschool care and the training of teachers, as well as providing financial support for growing families that are in need of larger homes.

**Gender Equity and Inclusion Committee.** Although Article 46 of China's Labor Law states that "the distribution of wages shall follow the principle of distribution according to work and equal pay for equal work," the reality suggests otherwise. Examining gender inequality in the context of structural transformation and rebalancing in China, research indicates that in spite of rapid growth and expansion of the service sector, women's relative wages in China have declined during the last two decades.<sup>9</sup> In particular, the gender wage gap is more severe in the private sector than in the public sector.<sup>10</sup> Although delegates to this year's Two Sessions did not specifically address the issue of a widening gender wage gap, it is imperative that the government strives to mandate the set-up of a Gender Equity and Inclusion Committee (GEIC) within all workplaces.

The purpose of this committee is two-fold. First, in collaboration with the human resource department, it would ensure the enforcement of Article 46 by highlighting cases that violate the principle of equal pay for equal work. Second, it would also address gender-based concerns, not only providing a channel of communication for employees to file complaints anonymously without concerns over employer retaliation, but also putting in place a set of punitive measures against violations. By the end of each year, the GEIC would submit a progress report to the management to reflect on the implementation of Article 46 within the organization.

**Well-Defined Legal Definitions.** Sexual harassment remains a prevalent problem worldwide and China is no exception.<sup>11</sup> While China's Law on the Protection of Women's Rights and Interests explicitly prohibits sexual harassment against women, it neither defines sexual harassment nor specifies what it constitutes, creating a legal gray zone that perpetrators can easily take advantage of.

In 2020, China took a step forward by enacting the Civil Code, which includes Article 1010 that has broadly defined the concept of "sexual harassment" for the first time.<sup>12</sup> However, while establishing that perpetrators of sexual harassment may bear civil liability, it does not include a provision that

9 Dabla-Norris, Era, Mariya Brussevich, and Bin Grace Li. "China's Rebalancing and Gender Inequality." *IMF Working Papers* 2021, no. 138 (2021): 1. <https://doi.org/10.5089/9781513573779.001>.

10 Ichiro Iwasaki and Xinxin Ma, "Gender Wage Gap in China: A Large Meta-Analysis," *Journal for Labour Market Research* 54, no. 1 (December 12, 2020), <https://doi.org/10.1186/s12651-020-00279-5>.

11 Quanbao Jiang, "Sexual Harassment in China," *Asia Dialogue*, June 11, 2018, <https://theasiadialogue.com/2018/01/29/sexual-harassment-in-china/>.

12 Aaron Halegua, "Workplace Gender-Based Violence and Harassment in China," U.S.-Asia Law Institute, 2021, <https://usali.org/workplace-gender-based-violence-and-harassment-in-china>.



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13 “《两会 1+1+1》：遏制职场性骚扰,” People.cn. Mar. 9, 2022, accessed March 24, 2022. <http://opinion.people.com.cn/n1/2022/0309/c1036-32370968.html>.

14 Edward H. Chang and Katherine L. Milkman, “Improving Decisions That Affect Gender Equality in the Workplace,” *Organizational Dynamics* 49, no. 1 (2020): p. 100709, <https://doi.org/10.1016/j.orgdyn.2019.03.002>.

15 Ibid.

16 Ibid.

delineates the legal liability involved.

During the 2022 Two Sessions, NPC representative Li Yalan, Director of the Heilongjiang Longdian Law Firm, opined that it was vital for the law to clarify the legal liability associated with sexual harassment, including sexual harassment in the workplace.<sup>13</sup> According to Li, ending sexual harassment is vital to China’s socioeconomic development. Well-defined legal provisions enable women to defend themselves against injustices, especially in the judicial process.

**A More Equal Future.** Research has testified to the benefits of gender equality and inclusivity in the workplace.<sup>14</sup> For instance, firms with more female directors on their boards deliver higher average returns on equity and better average growth.<sup>15</sup> In fact, on a global scale, advancing gender equality could add up to \$12 trillion to economic growth.<sup>16</sup>

Thus, ensuring gender equality in the workplace, a primary site of group-based inequalities, creates a win-win situation for both working women and their employers, which ultimately benefits society at large. Nevertheless, the achievement of gender equality is no simple task and requires consistent effort across all levels of society. The 2022 Two Sessions have brought gender equality a step forward and in so doing also strengthened China’s advance toward social inclusion, regardless of gender and other categories of identity.

*Disclaimer: While this essay discusses gender in a binary context, it acknowledges the importance of creating an equal work environment for those who identify as nonbinary or genderqueer. They play an equally critical role in our society and how to ensure their well-being should inspire further research.*

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