

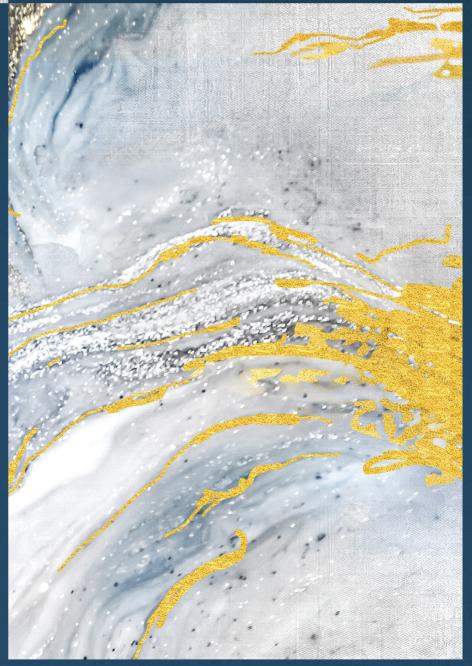






# 2021 Taihe Civilizations Forum

**Content Highlights** 









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#### Introduction to the Taihe Civilizations Forum

It is written in the I Ching, or Book of Changes, an ancient Chinese classic, that "maintaining taihe will help develop everything smoothly." Taihe means supreme harmony, a state of peace in which everything is harmonized. Such harmony can be achieved through coordination and collaboration among all things, based on their inherent unity. Taihe conceptualizes an ancient life wisdom that can guide us to rediscover the essence of our world. Its purpose is to create common values so as to encourage the ongoing development of wisdom and the momentum to forge ahead.

A lack of taihe seriously challenges contemporary human civilizations. Rapid technological development, climate change and environmental degradation, uneven wealth distribution, and geopolitical tensions are some of the significant threats undermining global common principles and civilizations. These challenges threaten our ability to develop common values and achieve global harmony.

The Taihe Civilizations Forum (TCF) was initiated in 2017 to engage global leaders from all fields in supporting the harmonious development of common values and the advancement of human civilization. The TCF aims to seek common values across different civilizations, and the next forum centers on "Science Culture · Future Ethics · Common Values." The TCF follows four principles to define its research agenda, guide its work and actions, and effectively contribute to its overall objectives: impartiality, globality, foresight, and impact. The TCF focuses on global and regional challenges, seeks ways to resolve conflicts, promotes beneficial exchanges among countries and regions, and facilitates the harmonious and sustainable development of human society.







### **About Taihe Institute**

Established in 2013, Taihe Institute (TI) is an independent, non-profit organization based in Beijing, China, with our mission to gather global elites and seek common values. By holding the action idea of "On Times We Focus," TI has been dedicated to providing informed analysis and opinions by way of in-depth research and being a main source of new ideas to help interested people better understand China and the rest of the world.

TI focuses its research on five areas: international relations, ethnicity and religion, education and culture, economy, and science and technology. It accepts commissions from central and local governments of all levels to carry out regional economic and social researches.

Up till now, TI has maintained links and connections with nearly a hundred prominent organizations at home and abroad via academic exchanges and other unofficial events, such as the Chinese People's Institute of Foreign Affairs, the China Public Diplomacy Association, the China Institutes of Contemporary International Relations, the China Education Association for International Exchange, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Shanghai Cooperation Organization Secretariat, the Brookings Institution, the National Committee on United States-China Relations, the Eisenhower Fellowships, and the College of Europe.

Moreover, TI has established joint research centers and mechanisms with Peking University, Nankai University, East China Normal University, Hunan University, Xiangtan University, and other institutes of higher education.

TI is also a member of the Belt and Road Studies Network and the BRI International Green Development Coalition, and the Chair of the expert committee of the Innovation Center for China-U.S. Youth Exchange.

TI actively collaborates with international media outlets and publishes its research results

through media and its official accounts on various online platforms, including a monthly online English publication, TI Observer. Major findings are also published in the form of TI Library.

In 2017, with the theme of "Science Culture · Future Ethics · Common Values," TI initiated the annual Taihe Civilizations Forum (TCF), aiming to "seek common values and explore harmonious development." Now the Forum has grown into a crucial platform for international academic exchanges and public diplomacy.

In 2019, TI founded the Taihe Young International Scholars Alliance (TYISA), which provides a brand new platform for global young scholars to interact with each other.







# **Speeches from the Opening Ceremony**

First, I'd like to congratulate Taihe Institute on the opening of the 5th Taihe Civilizations Forum. This year's forum is held amid a changing international situation, a prolonged COVID-19 pandemic, a weak global economic recovery, and drastic climate change.

It will focus on such topics as Sino-U.S. Relations, Sino-European relations, climate change, vocational education, and the future of youth.

I hope the Chinese and foreign guests present here can talk candidly, deeply and rationally about these topics, so as to predict future trends, explore how major countries should get along, address climate change as an existential threat, blaze the path of vocational education, and map out the future of youth.

Surely all these ideas and insights will collide and combine into something wonderful.



Wu Hailong
President of China Public
Diplomacy Association

I am Steve Orlins, president of NCUSCR. It was the first time in August 2020 that I attended the Taihe Civilizations Forum via the internet.

I did not imagine that a year later, once again I have to join the forum online and meet with my old friend Binge and all of you virtually. During the past year or two, a lot happened in Sino-U.S. relations, and in the world.

I am glad to see that this year's forum will, from various perspectives, such as international relations, economy and technology, education and culture, discuss those important common issues we face. I look forward to our conversations in the next few days.



Stephen Orlins
President of the National
Committee on United
States-China Relations







The 5th Taihe Civilizations Forum is coming. Over the years, the Forum has done a lot to promote global talks and exchanges, upholding the principles of honoring the history, facing the future, and respecting diversity. What the Forum has done is of great significance.

Today, mankind faces a huge challenge in achieving a global consensus on the diversity of civilizations and the world. As globalization is sweeping over the world, more and more people are influenced by the unstoppable trend. It requires the participation of a great many people to achieve a global consensus on the diversity of the world and promote global exchanges to facilitate mutual understanding and development based on such a consensus.

I want to emphasize the role of youth. Over the years of working at a university, I've met a large number of excellent young people from all over the world. They have a global perspective and have been educated and trained in a modern knowledge system. They boast rich international experiences, excellent social skills, and advanced language abilities. Some of them can even fluently speak a dozen of foreign languages. They are willing to help us meet the unprecedented difficulties and challenges brought by the COVID-19 pandemic. The Internet has opened up plentiful new possibilities for us.. I hope young people will play a greater part at the Taihe Civilizations Forum.



Yuan Ming

Dean of Yenching Academy at
Peking University,
Professor at the School of
International Relations at Peking
University

Hello, everyone. My name is Susan Thornton. And my Chinese name is Dong Yunshang. I am a retired career US diplomat. And now I'm a Senior Fellow at Yale Law School's China Center.

I am pleased to be one of the co-chairs of the Taihe Civilizations Forum this year. And I look forward to forum discussions about how to tackle common problems of today's global society.

These issues include health, new technologies, and their implications, climate change, sustainability, and global governance.

I believe that constructive international relations and an effective governance system are the requirements for seizing the opportunities and tackling the looming challenges that will drive our collective globalized future.

And I look forward to discussing today what can be done to ensure that realistic, pragmatic, and constructive approaches prevail.



Susan Thornton
Senior Fellow at Paul Tsai
China Center at Yale Law
School







Taihe Civilizations Forum invites global experts to discuss science, technology, and ethical issues in a truth-seeking spirit. Last year, China announced its ambitious carbon peak and neutrality goals.

China joins a global exploration for a sustainable or low-carbon growth path. We all have a common goal: Protect the Earth and leave behind a better world for future generations. We should seek common ground and reserve differences on this issue. We are here to brainstorm a sustainable path.

To this end, China needs to join the global efforts as an indispensable participant. On the principle of seeking the truth and common ground while reserving differences, Taihe Civilizations Forum is committed to building a bridge for international cooperation to push for a sustainable world.



Li Junfeng
First Director of National
Center for Climate Change
Strategy and International
Cooperation
Executive Director of China
Engegy Research Society

Dear friends, a year has passed since our Forum. The world continues to change rapidly despite the pandemic. Despite closed borders, we continue to face transnational threats. Despite joint efforts, the climate crisis continues. Air and water pollution continues despite the global economic downturn. We are witnessing a crisis of confidence in international relations. Now more than ever we need adherence to global and multilateral solutions. The COVID-19 pandemic has shown how closely we are connected to each other. We are encouraged by the example of China's heroic struggle against the pandemic and the solidarity that it demonstrates on the global level.

Today, we need decisive joint efforts to reduce losses and finish with the pandemic, to overcome the climate crisis, to establish a mutually respectful dialogue and to build a community of shared destiny. The Taihe Civilizations Forum can contribute to these efforts.



Rashid Alimov
Distinguished Fellow of
Taihe Institute
Secretary-General of the
Shanghai Cooperation
Organization (2016-2018)







Ladies and gentlemen. I'm Zhang Xinsheng, a Senior Fellow at Taihe Institute.

Currently, my research mainly focuses on the development of ICT and of the digital economy. This is the second time I've attended the Taihe Civilizations Forum held by Taihe Institute.

Taihe Institute provides a valuable platform for us to compare notes, explore new technologies and developments, and put forward new ideas and opinions. So I'm glad that Taihe Institute has invited me to be a keynote speaker at the Taihe Civilizations Forum.

I would like to share with you the following points.

First is about the new dividends that ICT has brought to us.

Second, as ICT and the digital economy move on, the entire world is changing, and so is human society.

Third, since human society and the entire world is changing, some ICT-related technologies, products and services can no longer meet today's needs. One of the major trends in the field of ICT is cross-sectoral integration.

Fourth, it is the ICT high ground that major countries are currently striving to seize.

Lastly, the greatest constraint on the development of ICT and the digital economy is energy conservation and emission reduction, which means we need to achieve the carbon neutrality goal. Carbon



#### **Zhang Xinsheng**

Senior Fellow of Taihe Institute,
Secretary-General of
the Communications
Science&Technology
Commission of the Ministry
of Industry and Infomation
Technology

neutrality is a millstone that puts great pressure on China's ICT industry and digital economy. However, we need to be aware that if we make good use of ICT and digital technologies, then we will provide better tools and solutions to achieve the carbon neutrality goal, thus making better accomplishes.







It is an honor to be invited to participate in this important event, where the Taihe Civilizations Forum in its fifth gathering is focusing on three pillars of our civilization, namely: "Science Culture, Future Ethics, and Common Values". These are topics that have been at the forefront of my concerns and I speak frequently about these issues in the various meetings I go to, for they are indeed central to the kind of world we are trying to create.

Our age is very much the age of science. There are more scientists working today than all the scientists who practiced throughout the previous history of humanity combined. We live in the era of science, information and knowledge. Actually, we live in the era of enormous data, and data, when organized, becomes information. Information when explained becomes knowledge. But we need more than knowledge, we need wisdom. Therefore, to the knowledge generated by the natural sciences, we need the insights of the social sciences and the wisdom of the humanities.

Looking back at the last 400 years, there is no doubt that science and scientific research have been responsible for all the benefits that humanity takes for granted: Ample food production, improved health, reduced mortality, better education, and improved well-being. Indeed, science has triumphed over superstition, fear and entrenched interests.

Gradually, processes, linking scientific research and technological application, often referred to as "STI" for "Science, Technology and Innovation", took shape. STI created the contemporary configuration of private and public sector collaborations, education and training facilities with strong ties to Research and Development (R&D) and legal systems that protect patents and copyrights... It has changed



Ismail Serageldin
Co-Chair of the Nizami Ganjavi
International Center

our way of life, improved our well-being, and vastly expanded the resources we command. And, it has ultimately, profoundly influenced the very fabric of our societies.

Our societies evolved, through the crucible of wars waged with ever more devastating weapons, and our gradual awakening to the importance of our values such as human rights, the rejection of slavery and colonialism and, more recently, the protection of the environment and the promotion of sustainable development on a global scale. We started to recognize the cost of past mistakes, and the need for remedial actions, locally, nationally, regionally and globally. We face global problems from Climate Change, to biodiversity loss, to food security, to the mismanagement of water, to pollution of the air we breathe, the water we drink and the soils and oceans we depend on. All these global problems and their local manifestations require the full mobilization of science and the best of our scientific capabilities.

Today we are in the throes of a pandemic that has affected friend and foe alike, and that knows no boundaries. Our global collaborative efforts are needed not just to produce the tests, therapeutics and vaccines that will enable us to control this scourge, but also to collaboratively produce the policies and programs that will ensure access to the poor and the deprived, as well as to the rich and powerful.

Today, we are living in societies where the ICT revolution allows us to link and exchange information at the speed of light, and the scientific establishment increasingly moves towards a system of "Open Science".

Unfortunately, however, many weird groups are launching attacks and spreading lies against science; they advance conspiracy theories and attack science as another form of elitist discourse. Yet science is the only form of knowledge production that has a built-in system for correcting its mistakes, since it is always acknowledging that our knowledge is imperfect, and that we await more data, or the next scientific developments to modify and improve our views. That is the task of scientific research and scientific advancement.

Today, we have few tools to fight back against those who spread lies and falsehoods. But truth, ever the banner to which true scientists and researchers rally, will ultimately defeat the web of lies that they weave on the social media along with their allies among the corrupt politicians and specialized cable TV channels.

The first three industrial revolutions transformed our world and created our modern society. With each of these three advancements—the steam engine, the age of electricity and mass production, and







the rise of digital technology—the world around us fundamentally changed...

Now we are on the cusp of "The Fourth Industrial Revolution", predicted by McKinsey to be 3,000 more disruptive than the past industrial revolutions. Its hallmark is the emergence of Artificial Intelligence (AI) and the blurring of boundaries between the physical, digital, and biological worlds. And this will usher in a new world.

The ethics of the future will require the evolution of our current ethical frameworks to address the challenges of tomorrow. These will come in four new domains:

The first is to provide guidance in the application of new technologies to handle old problems in medicine, agriculture and engineering.

In my father's time, nothing could be more clear-cut than whether someone was alive or dead. Today, the new medical technologies have created profound new ethical dilemmas, as to when to connect someone to the machines that keep them alive, and when to "pull the plug", and who makes the decision to do so.

These end-of-life scenarios have a moral dimension, and they can be expected to increase in the near future as modern medicine continues its enormous advances under the combined inputs of the ICT revolution and the New Biology. At the other end of the life cycle, the studies on embryos also require careful ethical guidance, monitoring and evaluation.

The second is to guide behavior in new frontiers, be they in space, or the unvisited parts of our planet. This is where we are confronting problems that just were never posed in the past. Examples include ethical guidance for our behavior in space—from handling space junk to the militarization of space, to colonizing the Moon and the planets. And more immediately is to guide behavior in managing the traffic jams that thousands of satellites will cause, including the mix of ownership between private and government owned facilities, and similarly, in how we deal with the deep oceans here on earth.

Third, dealing with radical new technological breakthroughs may pose totally new challenges. From the Nuclear Bomb to Artificial Intelligence and Quantum Computing, and the potential power of genome editing and the new synthetic biology, not to mention Brain-Machine Interface (BMI)—new technologies open new realms of possibilities.

So, our pending work with using the capabilities inherent in "The Fourth Industrial Revolution" requires

an ethical framework, for not everything that is technically feasible is necessarily ethically desirable.

Humanity has shown some ability to cope with such issues. We have mastered nuclear energy, and we have never again unleashed it against humans after that horrible first and only time when America bombed Hiroshima and Nagasaki 75 years ago.

Fourth, we are confronted with problems that have reached a magnitude that makes them qualitatively different than their earlier manifestations, most notably Climate Change. There are ethical dimensions from our obligations to the weak and vulnerable on this earth, to the future generations some of whom are yet unborn.

But ethics is not just to guide science and technology. It is also to transform our societies for the better. And here, I have confidence in our societies that came together in this century to confirm a collective global view starting with the Millennium Development Goals (MDGS) from 2000-2015, and the currently globally adopted Sustainable Development Goals (SDGs) to guide our collective actions from 2015 to 2030 and beyond...

The enterprise of science requires the adoption of certain values: Truth, honor, teamwork, constructive subversiveness, engagement with the other, freedom, imagination, and a method for the arbitration of disputes. The values of science are adhered to by its practitioners with a rigor that shames other professions.

Any scientist who manufactures their data is ostracized forever from the scientific community. She or he may err in interpreting the data, but no one can accept fabrication of data. In no other field of human activity is this commitment to truth so absolute.

Scientists reject plagiarism. To give each his or her due, is essential.

Teamwork has become essential in most fields of science. And the essence of teamwork is to ensure that all the members of the team receive the recognition that they deserve.

Science advances by overthrowing the existing paradigm, or at least significantly expanding or modifying it. Thus, there is a certain constructive subversiveness built into the scientific enterprise, and every time a new generation of scientists makes its own contribution. And so it must be. Without that, there would be no scientific advancement. But our respect and admiration for Newton is not diminished by the contributions of Einstein: We can, and do, admire both. This constant renewal and







advancement of our scientific understanding is a feature of the scientific enterprise. It requires tolerant engagement with the contrarian view and the acceptance of arbitrating disputes by the rules of evidence and rationality.

Science requires freedom: Freedom to enquire, to challenge, to think, and to imagine the unimagined. It cannot function within the arbitrary limits of convention, nor can it flourish if it is forced to shy away from challenging the accepted.

Science demands rationality and promotes civility in discourse. Ad-hominem attacks are not accepted. Science treats all humans equally. Scientists are concerned by the content of the scientific work, not by the person who produced it. Science is open to all, regardless of nationality, race, religion, or sex.

These values of science are societal values worth defending, not just to promote the pursuit of science, but to have a better and more humane society. These are part of the central core of universal values that any truly modern society must possess.

Today, science is a global enterprise, and the scientists of the world have forged the bonds that have created a global scientific community that speaks a common language and adheres to these norms of behavior with an unmatched rigor.

Beyond these values of science, there are other values that contemporary society must adopt as well. These include empathy, altruism, appreciation of beauty and the arts, understanding and respecting our interaction with the environment, respect for and support to the rule of law, refusing poverty and hunger in the midst of plenty, and so much more... all values whose widespread acceptance would bring to our societies more Goodness, Beauty, Liberty, Equality, and Justice.

As we stand at the start of the fourth industrial revolution, we can see science providing us with new technologies that will unleash capacities beyond our imagination. It will potentially empower us to correct many, if not all, of our past mistakes in dealing with Climate Change, biodiversity loss and the spread of poverty, hunger and inequality, from gender to ethnic discrimination, and from income to wealth disparities.

By adopting science-based policies and evidence-based regulations, and committing to the values that we hold dear, we can think of the unborn, remember the forgotten, give hope to the forlorn, include the excluded, reach out to the unreached, and by our actions, from this day onwards, lay the foundation for better tomorrows.

This year, the Sub-session on Economy and Technology will focus on carbon peak and carbon neutrality. It is one of the hottest topics now. In September 2020, President Xi Jinping pledged at the General Debate of the 75th session of the UN General Assembly that China will scale up its Intended Nationally Determined Contributions by adopting more vigorous policies and measures, and that China aims to peak carbon emissions before 2030 and achieve carbon neutrality before 2060. This pledge is a major strategic decision made based on China's responsibility to build a community with shared future for mankind and its need to achieve sustainable development. Therefore, from this year on, the Presidium will pay close attention to carbon peak and carbon neutrality as a big topic at the Taihe Civilizations Forum.

As the second largest economy and the largest developing country in the world, China is still in the mid-to-late period of industrialization and urbanization. Our energy demand will continue to increase in the coming years. In 2020, China achieved a GDP of 100 trillion RMB, which is a really impressive number. However, China is also the world's largest energy consumer. Last year, China consumed staggeringly five billion tons of standard coal equivalent. Developed countries have 60 to 70 years to transit from carbon peak to neutrality. But China only has around 30 years. This means it is way harder and demands far greater efforts for China to achieve carbon neutrality than developed countries. It is no exaggeration to say that carbon peak and neutrality will trigger an extensive and profound socio-economic reform in China. The Chinese government's carbon pledges will drive the transformation of China's economic structure, energy structure, financial structure, and even the production mode and lifestyle of the whole society. This not only remains a major responsibility to the Chinese society and the international community at large, but also presents great development opportunities. The theme of the Sub-session



Sun Yongfu
Senior Fellow of Taihe
Institute,
Director of European Affairs
Department of Ministry of
Commerce (2003-2015)







on Economy and Technology this year is "Responsibility and Opportunity - the Technology Driving Force for Carbon Peak and Neutrality," which is also designed for the undertaking.

Carbon neutrality entails systematic innovations. On the one hand, we need to develop low- and zero-carbon technologies, carbon sequestration technologies, and negative emissions technologies. On the other hand, we need to innovate our GDP structure, social governance, economic management and international cooperation to support our carbon reduction endeavor.

These issues are of major concern at the Taihe Civilizations Forum. In the coming activities, several industry experts will explore these issues through the lens of policy, industry and finance.

It's my great honor to attend the 5th Taihe Civilizations Forum held by Taihe Institute.

On behalf of the CSTVE, I hereby extend warm congratulations on the opening of the forum and wish the forum a great success.

Over the years, Taihe Institute and Taihe Civilizations Forum have brought together top specialists to discuss the hot issues in the course of civilization.

With the collective wisdom of global experts, the forum has made an impressive contribution to the socio-economic reform and development in China and the cultural exchanges between China and other countries. Chinese President Xi Jinping said that technical and vocational education (TVE) has a promising future and great potential. TVE is an important building block of China's education system and a key contributor to China's innovation-driven economic growth. Therefore, TVE has been a major focus of the CPC and the Chinese government, and has drawn attention from across society. Since the founding of the People's Republic of China, particularly over the past 40-odd years since the reform and opening-up, China has developed the world's largest TVE system and fostered hundreds of millions of technicians and skilled workers. They have supported the sustained and rapid development of Chinese economy and society. As socialism with Chinese characteristics enters a new era, the world is undergoing profound changes unseen in a century, especially the COVID-19 pandemic that has profoundly changed our economy and society.

China also faces a series of new challenges in the reform and



Liu Jiantong

Executive Vice President and
Secretary-General of the
Chinese Society for Technical
and Vocational Education







innovation of TVE. In the Outline of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China, the Chinese government has made it clear that China will increase the adaptability of TVE.

Guided by a new development philosophy, we will push technological revolution and industrial upgrade to form a new development pattern. We will promote digitization in TVE and foster more technicians, skilled workers, and craftsmen who are in step with the digital economy and technology to better serve the high-quality development of China's economy and society.

We believe that TVE is important to the socio-economic development of all countries. Therefore, in our efforts to build a community with a shared future for mankind represented by the Belt and Road Initiative, China can share its successful experience in TVE reform and innovation with the Belt and Road countries, and offer a Chinese solution to global TVE governance, thereby contributing to the construction of a human community with a shared future.







# Keynote Speeches at the Seminar on Sino-U.S. Relations of the Sub-session on International Relations

# What "Guardrails" Does China Need to Address Its Ties with the U.S.

During her visit to China not long ago, Wendy Sherman, US Deputy Secretary of State, put forward a new expression, "guardrail". We have to admit that the US politicians are good at citing wacky words in international affairs. It seems that the U.S. intends to maintain its ties and avoids any conflict with China by saying this word. However, if our historical experience is anything to go by, there's more than meets the eye. Those cited words, which seem to be incongruous, sound delightful and are to their interests, but they could be tricky to the listeners. If you read between the lines, there is something more it intends to imply. For me, there are at lease three points Wendy wanted to make. First, the U.S. is unwilling to improve its ties with China. To put it another way, the Sino-U.S. ties will simply get worse. Second, the U.S. doesn't want to show its cards to China at present, or maybe it doesn't dare to do so. Third, the U.S. attempts to make rules for its competition with China, which it calls "extreme competition."

Why does a simple word imply so many meanings? If the Sino-U.S. ties take a turn for the better or just maintain current status in the future, the U.S. does not need to rush and set up any guardrails. Because it expects its ties with China to deteriorate, but dares not to show its hand. That's why it needs "guardrails". Another intention is



Chen Hu
Senior Fellow of Taihe
Institute
Editor-in-chief of World
Military (2006-2019)

that the U.S. wants to restrain China's competition efforts. In fact, we can predict the worsening Sino-U.S. ties based on the US government's attitudes towards China over the past few years. A plan to stifle China's growth ambition was in the making during Barack Obama's presidency. When Donald Trump was elected the US President, he resorted to every conceivable means to hold us down. Now, anti-China sentiment has become politically correct in the U.S. Such deadlock is hard to break at present. The word "guardrail" has once again proved the theory above.

The intentions behind the word "guardrail" is a lead-up to my topic today, that is, What "Guardrails" Does China Need to Address Its Ties with the U.S. Here, I use "address" instead of "improve," a word frequently used before. That's because now that it's impossible to improve the Sino-U.S. ties, then China should no longer try improving but address the ties. There is a difference between the two words. If we intend to improve the ties, we would aim to get the Sino-U.S. ties back on track. However, if we address it, we would deal with it in a more flexible way as long as the U.S. doesn't cross the line.

Obviously, when addressing Sino-U.S. ties, the two countries both need "guardrails". What "guardrails" does China need? It's a bottom line for America. China welcomes competition as long as it doesn't violate the bottom line. Otherwise, China will definitely strike back. On the afternoon of July 26th, Chinese State Councilor and Foreign Minister Wang Yi met with Wendy Sherman. Wang underlined three basic demands as bottom lines. First, the U.S. must not challenge, slander or even attempt to subvert the path and system of socialism with Chinese characteristics. Second, the U.S. must not attempt to obstruct or interrupt China's development process. Third, the U.S. must not infringe upon China's state sovereignty, or damage China's territorial integrity.

Apparently, these three basic demands can be deemed as China's definition of "guardrails". We can expect that there is a significant difference between China and the U.S. over such definition. Theoretically, only when the two countries reach a consensus on the meanings of "guardrails", can "guardrails" be truly effective. Otherwise, "guardrails" will be one party's unilateral footwork to contain the other. In that way, "guardrails" just make no sense. In this context, we can predict that it's almost impossible to reach a consensus on the definition of "guardrails" in a short time. Also, it's not something that can be hashed out at the negotiating table, but depends on a trial of strength.

Once a consensus is reached, the Sino-U.S. relations will enter a stage of peaceful coexistence under a new condition, because both countries would have agreed on the scope, boundary, and standards of the bilateral relations. By then, the competition between the two countries will be truly fair. It is expected that in the long run, the U.S. will keep leveraging its advantages to launch tentative attacks towards China. Once it makes any breakthrough, it could launch more aggressive attacks and even a







decisive attack against China. What China needs to do is to stage a counterattack against each of its attacks, until the U.S. has no choice but to sit down and negotiate with China. This will be inevitable until the two countries reach a consensus on the definition of "guardrails".

As we can see from the deduction above, China needs to build up its weak muscles until they are well-matched against the U.S. Only by then will there be a possibility for China and the U.S. to reach a consensus on the definition of "guardrails", and thereby form real guardrails. During this process, we should ensure two things:

First, China should prevent the U.S. from making any breakthrough with its attacks. Once it does, it will step up attacking efforts and even launch a decisive attack. As a result, a big crisis will arise between the two countries. To put it another way, as long as China holds its fortress, the Sino-U.S. tension will not be heightened. Otherwise, the two countries will be precipitated into a more unfavorable situation to the detriment of both the U.S. and China, especially the latter.

Second, we usually say that in response to America's clampdown, China should impose reciprocal counter-sanctions, which, however, will not be exactly the same as those imposed on us. Tit-for-tat examples are as follows: The U.S. accused China of human rights violations, so China dealt with it with the same justification. The U.S. concocted evidence that COVID-19 originated in China, then China directed it to Fort Detrick Biolab. In general, the U.S. currently has more advantages than China. Therefore, China will lose ground if we take a tit-for-tat strategy. As China now is at a disadvantage, we should keep in mind a quote of Mao during the "War to Resist US Aggression and Aid Korea", "You can use atomic bombs and I would choose hand grenades." In future toe-to-toe confrontations with the U.S., China should learn to apply such flexible strategies, so that we will be able to offset our disadvantages with advantages.

The period prior to the establishment of the "guardrails" between the U.S. and China will be dangerous for both countries. Only after we ride out such perilous period, can we really stabilize and improve our relations.

# The Sino-U.S. Bipolarity Plus: What it Means for World Peace and the Liberal International Order

The global system is bipolar with a considerable degree of asymmetry because of US predominance in the military realm. According to the Stockholm International Peace Research Institute (SIPRI), the U.S., China and India were the top three military spenders in 2020. Chinese nominal defense spending was 32% that of the U.S., whereas India's nominal defense spending was 29% that of China. The wide gap between the second- and third-ranking powers is central to establishing bipolarity. Regarding economics, China is much closer to its peer competitor. Its nominal GDP was 70% that of the U.S. in 2020, according to the IMF, up from 67% in 2019. The fund predicts that the number will rise to 73% in 2021, and many other sources also predict that China's economy will surpass the U.S. by the end of the decade. The rapidly narrowing economic gap also supports the claim of bipolarity.

Three key factors are driving outcomes of the current U.S.-China structure which I call "bipolarity plus." The first factor is bipolarity. As the two superpowers are far ahead of other countries in overall national strength, external balancing, such as alliance formation, is of less importance than "internal balancing" via bolstering economic power and other approaches, which is more predictable, reliable, and transparent than the reliance on allies. The second factor is nuclear weapons. Although nuclear proliferation creates new and unique dangers, in today's system and likely future ones, nuclear weapons come as a stabilizing force to deter risky behavior. Elite beliefs are the third contributor. The hostility from elites in both countries since 2016, compounded by nationalism, has made bilateral tensions



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further intensify. Beijing has been pursuing increasingly assertive foreign policy, while the Biden administration is also prioritizing a stark "us versus them" ideological framework for China policy. Under Trump, two broad groupings on China emerged. A hardline framing even more severe than the current one was espoused by Peter Navarro and Mike Pompeo. But a more moderate view was put forward by Stephen Mnuchin. Trump balanced between the two groups. However, Biden has so far kept in place the hard line policy. But it is estimated that the current administration might and probably will take a more moderate course after its initial demonstration of resolve.

How does bipolarity plus affects the world? It helps stabilize great power relations and thus discourages war. Common and dire speculation about Sino-U.S. war currently populates both academic and policy articles. However, current analyses tend to overlook the systemic lids on conflict created by both bipolarity and nuclear weapons, which make war over Taiwan unlikely.

Logically, the primary impact of bipolarity on the Liberal International Order (LIO) should be a large and binary impetus toward fragmentation as the United States and China pursue their own interests. The LIO is complex and is best thought of as containing several separate sub-orders. In the finance sphere, China is increasingly focused on change. Incidents of the past 12 months involving Ant Financial and Didi show China's growing concerns about a perceived danger from foreign capital. In the trade suborder, China has been deeply embedded in the WTO and generally supports the letter of its rules and structure since its accession to the organization. Currently, however, China is more focused on playing a key role within the group. It will also likely deepen its policy of bilateral trade. Overall, though, China adopts a conservative approach to change in the trade suborder regarding relevant rules and regulations. In the technology arena, both China and the United States have made quite aggressive moves on policy changes. Deep decoupling has evolved as the norm since Trump's election in 2016 and hence, it is predicted that both sides will move toward a combination of blocs and self-reliance.

Although the focus of today's discussion was on China, US politics could also be highly relevant over the longer term. If a figure from the far-left or the far-right wins a presidential election, bipolarity plus would preside over both countries—possibly for many years. That outcome would profoundly affect geopolitics.

# An Analysis and Projection of Sino-U.S. Relations

Since Biden took office, the Sino-U.S. relations have been in a stalemate. Below are some key aspects as the bases for the analysis and predictions of the Sino-U.S. relations.

First, the global geopolitical landscape or the world order has changed. Back in 2010 when China's GDP surpassed Japan to become the world's second-largest economy, some American scholars started touting that the global power was shifting to the East, along with the diffusion of power from dominant powers in the past to medium-sized countries and even non-state actors. During the historical transition of power from unipolarity to multipolarity, the U.S. has undergone a major shift in mindset. The strategic anxiety that is growing in the U.S. stems from the decline of its power as well as the catching up of other countries. What worries Americans the most is that China may overtake the U.S. to become the world's largest economy.

Around 2011, the U.S. foreign policy took a drastic turn, which is marked by the announcement of the rebalancing strategy. During Donald Trump's presidency, the strategy was upgraded to the Strategic Framework for the Indo-Pacific. There has been a major shift in the world order.

In the long run, the gradual shift of global power center from the West to the East has been deemed inevitable. As much as the U.S. would like to reconstruct the golden age of liberalism emerged after the end of World War II, it is unable to make it happen.



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I will explore the American foreign policies from five perspectives, namely the US government, political parties, the Congress, interest groups, the media and the public.

From the perspective of the US government. Biden's team has redefined China as "the most serious competitor" to the U.S. As for the policy the U.S. will adopt to handle the relations with China, I believe the keyword is "competition." The US Secretary of State Antony Blinken mentioned in his first public speech on US foreign policy that "Our relationship with China will be competitive when it should be, collaborative when it can be, and adversarial when it must be." So far, key advisers of the Biden administration have made themselves clear that the Sino-U.S. relations are not heading towards a new Cold War. The Sino-U.S. relations feature that competition overshadows confrontation and collaboration.

From the perspective of the US political parties. They are now severely polarized in the U.S. Though there are few agreements can be reached between the Republican and the Democratic Party, they have reached a consensus about the US policy toward China. The stance of White House toward China will only get tougher with more competition-centered policies being introduced against China.

From the perspective of the US Congress. Historically speaking, the US Congress has always been dominated by "China hawks." In fact, the US Congress is even more aggressive than its government.

From the perspective of the interest groups. The interest groups in the U.S. are now divided in opinions toward China. Those who have benefited from the investments in China during the globalization process hope that the two countries could engage in benign relations. However, those who believe their interests have been compromised will push a hard line on China.

From the perspective of the media and the public. Since the American media tends to report China's negative aspects, the majority of Americans are living in a mirror world constructed by media framing. The mainstream media or social media platforms in the U.S. are filled with false information, fake news, or even reports about the stigmatization of China, the American public will inevitably feel repugnance toward China.

Nowadays, there are plenty of global challenges facing both China and the U.S. Without the Sino-U.S. cooperation, combating climate change would be a nonstarter. In the end, the containment of the global pandemic will be tied to the worst-performing countries against COVID-19. This can be explained by the wooden barrel theory. The world will not be able to surmount global challenges without the joint efforts of China and the U.S. The Sino-U.S. economic ties are deeply intertwined and

serve as a solid footing for the bilateral relations.

As for the policy priorities of the Biden administration, After Biden took office, his most urgent task is to control the pandemic, followed by the economic recovery. He also needs to address the alarming racial conflicts and inequities in the U.S. So in terms of the top policy priorities that are on the agenda of the Biden administration, domestic concerns far outweigh international issues. The Sino-U.S. friction is just a small part that shapes the international agenda. To address domestic concerns and combat COVID-19 in particular, and reboot the US economy, Biden has to cooperate with China. Facing pressure from the midterm elections and the upcoming presidential election in three years, Biden must demonstrate notable achievements. To do so, he will prioritize solving domestic issues, which also requires cooperation with China.

The Sino-U.S. relations are facing a great uncertainty, namely the pandemic development. When the first wave of the pandemic broke out last year, at one point China had high hopes for the US government, believing that the two countries should join hands to help the world fight against COVID-19. However, as the pandemic started spiraling out of control in the U.S., the Trump administration chose to pass the buck and shift all the blame to China. The world is facing looming uncertainties over when the pandemic will end, or if there will be new variants or another epidemic. All these uncertainties will have a considerable impact on the future of the Sino-U.S. relations.

In short, to forecast the future of the Sino-U.S. relations, we must take two long-term factors into consideration, namely China's economy and its growth rate. In the short term, there are three factors influencing the Sino-U.S. relations, namely the development of the pandemic, the economic status and the next year's midterm elections in the U.S., which are the bellwethers for the future. If the Democratic Party loses the majority in either the Senate or the House of Representatives, the Biden administration will be rushed to a "lame-duck" period. He will then have to put more energy in coping with the domestic pressure from the Republicans. By then, even if Biden is willing to repair the Sino-U. S. ties, he may lack the power to push the agenda forward. Therefore, my projection is that the bilateral relationship may remain unpromising.







## The Bilateral Relationship Between the Chinese and American Middle Classes

In fact, I'm deeply concerned that the world is becoming more confrontational. Following such a downward trajectory, we need to find a brand new driving force to move Sino-U.S. relations forward. In my opinion, the middle class in the United States and China can be that drive. The priorities of both governments are centered around the middle class. The Biden administration has put addressing the shrinking American middle class at the center of its policy and China has made poverty alleviation a top priority. Both countries focus on increasing the size of the middle class.

Granted, some dissenting voices are raised in Washington, such as the growing Chinese middle class has not led to a more peaceful and prosperous world or the fear that only China will benefit from it while America's national interests will be jeopardized. Whereas in reality, one of the reasons behind this is the problematic structure of the US economy. More importantly, we have to understand that the impact of economic globalization may vary significantly on different countries and social groups, thus creating more severe inequality. The United States has indeed benefited from economic globalization, but not the American middle class. Since China's reform and opening-up, China's per capita income has increased 25-fold by 2019, yet the American middle class has been shrinking, from 70% of the US population after the World War II, 61% in the early 1970s to about 50% today.

Regardless, it is still possible for the U.S. and China to cooperate in the following four areas concerning the middle class:



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First, create a shared identity. Although historical, cultural, and political differences can be found between the U.S. and China, the middle classes in both countries have striking similarities and share the same views on production methods, the protection of private property, and the promotion of global economic stability. These commonalities can help us demonstrate empathy and respect for our shared aspirations and interests, rather than demonizing each other.

Second, adopt humanistic diplomacy. The Sino-U.S. relations not only involve country-level interactions, but also interpersonal connections. We need to consider more possibilities enabled by diplomatic maneuvering, such as talent exchange. Before the COVID-19 outbreak in 2020, 34% of international students in the U.S. came from mainland China. After the U.S. reinstated visa services, 85% of the students were granted visas and returned to the U.S. to continue their studies. This is a testament to the sustainability of talent exchange.

Third, shift the focus away from Wall Street. Coddling Wall Street, the elite, or the mega-rich class will not be sustainable. We must also prioritize the interests of small and medium-sized enterprises. The Biden administration, from time to time, is so preoccupied with competition with China that it loses sight of the enormous potential for bilateral cooperation.

Fourth, build core competence. Mr. Zheng Yongnian also believes that overall, the middle class across the world is usually quite peaceful. The withdrawal of US troops from Afghanistan is a drastic shift that will redistribute resources to domestic development, ultimately benefiting the American middle class. Both Trump and Biden have been re-shifting their focuses to domestic affairs, trying to boost the economy and end overseas wars.

In summary, the world's two dominant powers with the largest middle-class populations should both abandon zero-sum mindset and work together to pursue a shared vision.







# The Biden Administration's China Policy Dilemma

Biden's administration has been in office for more than seven months. Its China policy, though, is still under review. Not only has China-U.S. relations failed to evolve in ways people intended or hoped, but high-level strategic dialogues between the two leaderships have also almost reached a deadlock. This is partly due to the fact that America's China policy is directly associated with the internal political situation of the United States. More fundamentally, the Biden administration has brought no relief to tensions between the two countries because its strategy runs counter to the development of international relations.

As a major power relationship, the evolution of China-U.S. relations has always been closely related to the international situation. Globalization in the post-Cold War era has accelerated the development of multi-polarity. In this process, China achieved its peaceful rise; the US hegemony is in decline; the two have cultivated interdependent economic, trade, and financial relations, and the world has increasingly become a community with a shared destiny. Structural changes in China-U.S. began to emerge since the later period of the Obama administration, and this has been a defining element of the recent transformation of international relations.

The National Security Strategy Report, promoted by the Trump administration in 2017, identified great power competitions as the main challenge facing the United States in the new era and positioned China as its main competitor, thus turning China-U.S. relations into one defined by strategic competition. The rationale



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behind is that the rapidly rising China is posing a great challenge to the global dominance of the United States. Obviously, America's goal is to secure its hegemonic position as a world superpower that it obtained after the end of the Cold War. This is a policy framework accepted by both the Trump and the Biden administrations in the U.S.'s dealing with China. Containing China's peaceful rise to secure America's dominance in the world, Washington has ignored trends of historical development and the reality of international change. Its logic and the move to target China are fundamentally wrong.

Unlike the Trump administration, the Biden presidency strives to convince the world that its overall foreign policy is more structured and predictable, so he often emphasizes returning to multilateralism while stressing the leading position of the U.S. In terms of his China policy, Biden chooses to be strong while adopting different policy actions based on different situations. Secretary of State Antony Blinken further elaborated on this at the China-U.S. Anchorage Dialogue, where he deconstructed the competition-oriented bilateral relations into three types. These include competitive relationship—"be competitive when it should be," cooperative relations—"(be) collaborative when it can be," and confrontational relationship—"(be) adversarial when it must be."

Corresponding to Blinken's "three relationships," I want to explain Biden's China policy as serving five different objectives.

- A Ensure America's dominance and maintain its leading position in the global balance of power. To weaken and incapacitate China's strategic competitiveness, the policy option will be selective "decoupling" from China in key areas that concern US national security. Meanwhile, American allies will be mobilized to make joint efforts with Washington. Within this framework, China-U.S. relations will be confrontational, and the two will be engaged in a zero-sum game.
- B Contain the expansion of China's influence in and beyond the Asia-Pacific. Forming the so-called "Democratic League," and in the name of maintaining the "rules-based order," intervene in China's national affairs in areas such as military, economics, politics, and culture, and obstruct the development of China's foreign relations and damage its international image. In this context, China-U.S. relations are either confrontational or competitive.
- C Maintain the interdependent China-U.S. economic, trade, and financial relations. In this scenario, bilateral relations will be defined by both competition and cooperation.
- **D** Based on real situations, engage with China on transnational challenges such as climate change, global pandemic, nuclear non-proliferation, and peace and stability.







E Manage existing divergence and tensions between China and the United States so as to avoid large-scale conflicts and confrontations due to misjudgments or unexpected events.

It appears that the Biden administration hopes to have a strategic competition with China that can be "managed." However, seven months in, there has been no clear signs showing that Washington approaches its relations with China differently under different circumstances. While U.S.'s China policy is confrontational under the policy goal of containing China, areas that require cooperation between U.S. and China have largely been overlooked due to the impact of the narrative that the two countries are in a strategic competition.

Based on above analysis, as long as decision-makers in Washington hold on to the mainstream views about the evolution of international relations and China's peaceful rise, and the Biden administration remains to be constrained by the upcoming elections in 2022 and 2024, U.S.'s China policy will be fraught with challenges. And the prevailing state of China-U.S. relations will become the norm in the coming years.

#### On the Future of Sino-U.S. Relations

Since the election, I have been advocating for the Biden Administration to reverse many of the Trump administration's policies that hurt the American people and damaged Sino-U.S. relations. Among other actions, I advise the Biden Administration to immediately end the trade war tariffs, revisit the investment prohibition on 59 Chinese companies, and halt the delisting of Chinese companies from US stock exchanges. I also call on the administration to reform US policy to promote business and academic cooperation, reopen the Chinese Consulate General in Houston, restart the Fulbright program in China, and remove the restrictions on Chinese state media in the U.S.

It is promising to see that the Biden administration has taken action that echoes my advocacy. For example, it has suspended the ban on WeChat and TikTok, and started issuing large numbers of visas to Chinese students; it banned the use of racist terminology such as "Chinese virus," and most importantly, US Secretary of State Antony Blinken reaffirmed the One-China policy. These are small steps, but they are steps forward.

Many of the issues separating America and China are extremely difficult to resolve and touch on sensitive political issues in both countries. Only by taking small, concrete, and sometimes unilateral steps can we begin to rebuild trust. As the Confucian philosopher Xun Zi said, "Unless you pile up little steps, you can never journey a thousand li; unless you pile up tiny streams, you can never make a river or a sea."

I would suggest five relatively easy steps that America and China can jointly undertake. First, restart scientific cooperation, especially on pandemic prevention and climate change. Recent storms and floods in



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both countries should remind us of the need to cooperate on these common issues. Second, negotiate the terms under which the Chengdu and Houston Consulate Generals will reopen. Third, quickly reach an agreement on the bilateral reduction of tariffs. The Chinese and American people will see the benefits immediately. Fourth, agree on a definition of "national security" without disrupting bilateral trade and investment. Finally, begin the process of higher level meetings to prepare for the meeting between leaders from both countries, which will help stop the downward trajectory of Sino-U.S. relations.

50 years ago, Dr. Henry Kissinger undertook his secret trip to Beijing and we hosted the Chinese ping pong team in the United States. Considered unpopular at the time, the trip laid the foundation for modern Sino-U.S. relations. Since then, both of our countries have greatly benefited from engagement and friendly competition, not decoupling and confrontation. While none of these suggested bilateral or unilateral actions will fully restore mutual trust, they are an important starting point.

## Sino-U.S. Relations Face a Lot of Uncertainties in the New Era

We are entering a new era of uncertainty in Sino-U.S. relations as the U.S. has ended its engagement with China and China no longer adopts self-effacing foreign policies.

The period that was broadly described as "engagement" from 1989 to 2017 has come to an end. The US policy of "engagement with China" was proposed by George H. W. Bush in 1989 and overturned by Donald Trump in 2017.

In 1989, Deng Xiaoping put forward the well-known foreign policy of "keeping a low profile and making positive contributions," tacitly responding to the US "policy of engagement with China." In this period, the two countries forged an important alignment of policies, and maintained a tepid relationship. Now, this period has ended.

Washington has clearly overturned the policy of "engagement with China" and its "assumptions", and reached a consensus on the principles of reconceptualizing and dealing with China. Many said the U.S. is entering a period of intense competition with China. Apart from intense competition, Sino-U.S. relations face a lot of uncertainties in the new era. There are three reasons.

First, unlike in the past, there is no alignment of policies between the two countries.

China proposes to build a new model of major-country ties with the U.S. based on the principles of no conflict, no confrontation, mutual respect, and win-win cooperation. However, the Biden administration



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states that the U.S. relationship with China will be competitive where it should be, collaborative where it can be, and adversarial when it must be.

In response, Chinese Foreign Minister Wang Yi said China welcomes cooperation if there is the need, but cooperation needs to take into account each other's concerns and mutual benefits. It cannot go in the fashion of one side unilaterally raising conditions and making lists. China will not evade competition if it is needed, but competition should be fair and just and abide by market rules, and refrain from setting obstacles, abusing power, and depriving others of their legitimate right to development. If there is still confrontation, China will deal with it calmly and face it fearlessly. The two countries actually have no alignment of policies, but only tit-for-tat moves, let alone the intention to make positive efforts to improve bilateral relations.

Second, there is a great deal of uncertainty about where Biden's China policy will push the Sino-U.S. relations.

The policy gives him a lot of room for maneuver, which creates great uncertainty. The U.S. may engage China in competition without frontiers, make no effort to foster cooperation with China, and confront China without bottom lines. The tense high-level talks between China and the U.S. in Alaska on March 18 signaled a confrontational start to bilateral relations. Since the Alaska talks, the Biden administration has made a series of big moves against China. Even the U.S. worries that continuous intense competition will veer into clashes. In a visit to the Office of the Director of National Intelligence, Biden said the U.S. must maintain an advantage over China and avoid unnecessary escalation of confrontation, and the intelligence system should work for this. Like us, Biden is also uncertain about where his China policy will push the Sino-U.S. relations.

Third, the US political ecology also creates uncertainty in its relationship with China.

The presidential transition every four years starting from Trump is likely to continue for a long period and it will inevitably cause turbulence in the Sino-U.S. relations. China is at the center of the political rivalry between the US Republican and Democratic parties. Although the two parties have forged the Washington Consensus on the policy toward China, they will compete to be tougher on China to gain political advantage, which will continue for some time to come. The Sino-U.S. relations are thus caught in a vicious cycle.

Where will the Sino-U.S. relations go? China is disenchanted with the prospects of cooperating with the U.S. But there is still hope for improvement of bilateral relations. The hope lies in people-to-people communication, expert exchanges, and economic and trade ties between the two countries. With hope in our hearts, let's work together to get the Sino-U.S. relations back on track.







# Sino-U.S. Relations in a Globalized World

Some people are claiming that the great power competition will be the dominant narrative of the 21st century, which I find quite strange. However, because a small group with extreme ideas now has more power than ever before, the discussion on great power competition becomes necessary. Humankind is facing a large number of common challenges. For example, the pandemic has completely changed the way we live or work. In spite of our massive prevention and vaccination efforts, we are still unable to meet in person. The United Nations has just recently released its latest update on drastic climate change, which indicates that we will all be facing catastrophic, natural disasters likely within our lifetime, making a significant impact on our life. The global economic system that has produced so much prosperity over the last several decades has so failed in policies to assure a fair distribution of benefits of that system that now we see populations all over the globe losing faith in that very economic system that brought so much prosperity. I think the most important effort in the 21st century is going to be the one that governments will make toward actually addressing these major challenges. An obsession with great power competition will not only impede the kind of effort needed to deal with these real challenges, but destroy the legacy of concerted efforts going into addressing these challenges.

I have confidence that the United States and China actually understand the importance of cooperation, despite being vacillating amid the hawkish voices on both sides of the Pacific. Meanwhile, both countries have complex societies; therefore, we need compelling national narratives to mobilize people for common action. Otherwise, the Sino-U.S. relations will get stagnant if the situation gets tense. Of



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course, we have differences between us. However, these problems pale in comparison to the ones we face in common. Both the United States and China will need to make major contributions to the solution of future global challenges.

The global community has high expectations for cooperation between the United States and China. What will it take for the two countries to work together on common challenges? First is an acknowledgment of the reality that the challenges we face are not caused by the other side, which will be hard. People who lead change are going to be criticized. We must recognize their efforts. The United States and China should cooperate instead of getting stuck in conflict. The expectations for cooperation between the U.S. and China are hyped on both sides. Determined communication between the two countries is required, which has been very much lacking in the last five years. At this stage, a meeting between leaders from the U.S. and China should be arranged, which would help ease tensions and promote cooperation between the two countries on the global stage. The first area for collaboration is the fight against the COVID-19 pandemic. While it is still unclear what the far-reaching consequences of the pandemic are going to be, there will be permanent and sweeping changes in fields such as tourism, retail business, and finance. The second indisputable area for collaboration is climate change, where developed and developing economies have to completely transform their energy, transportation, and building systems in the next decade or so. This would require joint efforts among different sectors of the government and the society. The third area is on preventing the potential negative consequences of technological race. We must keep technological advancement from veering off in the wrong direction when we reap its benefits. China and the United States are the largest technology-intensive societies on the planet boasting a growing arsenal of cutting-edge technologies. It is our joint responsibility to ensure that technological race does not lead to destruction.

Although these agendas appear to be of no immediate relevance, I believe the way the world works will keep us clear on true priorities and from getting distracted by great power competition. I also believe that both countries will make the right decision on bilateral relations and global cooperation.







### Common Concerns About Civilizational Development Within a Civilizational Discourse System

Different regions with different histories and cultures and at different stages of development tend to have different values. To address the common concerns about civilizational development, these regions should sink their differences and communicate with one another based on civilizational values or civilizational narratives.

At a time when the COVID-19 pandemic is interwoven with unprecedented global changes, the world really needs to coalesce around the same vocabulary. Let me ask you a couple of questions:

First, what are the common concerns about civilizational development?

Second, what are the fundamental values of civilization?

As to the first question, all countries will find the common concerns about civilizational development worthy of reflection. By looking into this topic, we can examine the logic of universal ideas and behavior, i.e. the way people think, work and live. We can also identify the causes of ideological self-contradiction and imbalance, sum up the practical experience of humanity, and get to the bottom of perceived common sense. Since modern times, whenever a natural or man-made disaster poses a significant threat to human life and health, the common concerns or fundamental problems about civilizational development will come forward.



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The most asked question is, why have so many serious problems occurred in the course of civilizational development? Take a closer look, and more questions will come up: Why does civilization have to evolve? Why do we need to rethink civilization?

#### What does history tell us about the relevance between civilization and health?

The process of civilizational development can be seen as a historical progress of the formation of a community.

First, each civilization, in its essence, is a human community, and the formation of a human community depends on the continuation, proliferation and evolution of human life. Second, each civilization is also a cultural community that guarantees the continuation and proliferation of various life forms. Based on it, people start to search for its own cultures. Thrid, after a civilization comes into being, it will join in the effort to establish and improve the community of civilizations that can protect life and health more effectively than any of its members alone. This way, a higher form of civilization is in the making. Fourth, as the wheel of globalization moves forward, the protection of life and health becomes a global concern. Any existential crisis facing humanity will set off a new round of calls for "global communities." The community of common health for mankind is taking shape. The community of shared future for mankind is gaining ground.

#### To answer the question of our times: What are the fundamental values of civilization?

Because societies need to work together against the global spread of the coronavirus, the fundamental values of civilization and the common concerns about civilizational development once again become fodder for theoretical reflection.

Human civilization is supposed to be at an advanced stage, yet it's still unable to prevent or tame COVID-19. The epidemic control policies of some countries were so feeble that they caused a sharp increase in infections and later a severe health crisis. People might ask: Is human civilization moving forward or backward? Where is mankind heading? It's increasingly imperative that we bring ourselves to reflect on the darker sides, the common concerns, and the fundamental values regarding civilizational development.

The fundamental values of civilization boil down to one point: human beings and human life come first. A healthy population is both the basis of social progress and an important symbol of national prosperity. Health is also a common pursuit of the citizens. If all countries make concerted efforts to







fight the pandemic and create a brave new world, then human civilization must be on the right path.

This leads to the second point of mine: Rethinking the fundamental values of civilization is a new starting point for understanding the common concerns about civilizational development.

Facing the unprecedented global changes and the once-in-a-century pandemic, we should really get around to pondering the what and where of civilization. In this day and age, what kind of values does civilization stand for? What's the yardstick of civilizational development? Where's the fatally soft underbelly of human civilization?

The root cause of the pandemic is global environmental change. Outbreaks typically occur in busy areas where epidemic controls are spottily implemented. COVID-19 cuts through ideological and physical defenses, bringing one country after another to their knees, regardless of the civilization they share, and the hard and soft power they boast of.

The pandemic unseen in a century makes globalization a looming obstacle to civilizational development. As communication gets harder, racial inequality and other weaknesses of civilization become more glaring. The sheer magnitude of the epidemic situation implies that something has gone terribly wrong with civilizational development. Human civilization is at a crossroads. From a different angle, we need to deal with the common concerns about civilizational development, mull over the what and where of civilization, and spell out its values or yardstick.

So, what is civilization? If raw nature sets off the organized state of civilization, barbarism and chaos shows what an orderly community it can be. The advent of civilization means a certain group of people will get a better opportunity to live and prosper. The communication, mutual learning and spread of civilizations extend the same opportunity to a larger population. As civilization evolves, more people will be in a better position to lead a healthy life and achieve the goal of "all-round development". Such a process highlights one of the core values of civilization: to build a more equitable, more just and, therefore, better world. Civilization is a wonderful human creation. Its be-all and end-all is to protect health and improve life. Because human beings are the main components of civilization, only by putting life and health first can society keeps an even keel moving forward.

Civilization protects health and improves life in an organized and orderly manner. Because people live and work together, civilization functions effectively as an organized community. For the sake of life and health, human beings have established different types of order, laid down a variety of rules, and managed to make a myriad of material, technical and cultural achievements. Working in large and

small groups against natural and man-made disasters that seriously threaten people's lives is both a common wish of human beings and a prevailing trend of human civilization. In other words, no matter how varied its definitions are, a civilization in practice is an organized and orderly system that protects health and improves life.

When agrarian civilizations first appeared, the world population numbered in the millions. By the time industrial civilizations emerged, there were hundreds of millions of people across the globe. The spread and development of industrial civilizations lifted the world population by an order of magnitude. As civilizations drew closer to one another, regional life and health support systems gradually took form and evolved. The era of big data and AI sees the world population approaching 8 billion. The average life expectancies of major civilizations have increased by more than 20 years. The fastest growth comes from the Western civilization. Its life and health support system is so effective that the average life expectancy in this region has exceeded 80 years.

### Now we can answer the question: What are the common concerns about civilizational development?

One of the common concerns is to maintain an order that makes sure life and health will not be compromised. The order encompasses security factors, including national strength and folk customs; governance factors, including a defense system run by multiple parties; and development factors, including epidemic preparedness, which concerns the way we work and live.

China has taken the global lead in effectively implementing a set of anti-epidemic policies that put human beings and human life first. We firmly believe the common concerns about civilizational development include the aspirations of the majority for good health and better life rather than the pursuit of wealth or luxury life in the best interests of the privileged few. We also believe the common concerns about civilizational development include the effective ways to foster and maintain a healthy lifestyle, so that the negative culture characterized by lazy or bad governance and money worship won't carry the day.

Now we come to the third part. By reflecting on the common concerns of civilizational development and how civilizations interact with one another and learn from one another, we realize that all countries should join hands to build a community of shared future for mankind and create a brave new world.







Then what's the vocabulary that all countries can use to discuss the common concerns about civilizational development? That's where the "civilizational discourse system" comes in.

As President Xi Jinping noted, "China today is more than the country itself; it is very much a part of Asia and the world. In the time to come, China will open its arms wider to embrace the world and contribute the dynamic achievements of Chinese civilization to a better world in the future."

A yardstick of civilizational development, the civilizational discourse system allows different countries to address their common concerns by speaking in a language they all understand. It helps to avoid the clash of civilizations and ideological discord. Based on "civilizational narratives," the civilizational discourse system aims to improve the international order and rally countries around their shared values and the global good. It's the go-to approach to build international consensus and create a brighter future. Also, the civilizational discourse system is conducive to the communication and mutual learning of civilizations, to building the community of shared future for mankind, and to jointly creating a brave new world.

My next topic is "Civilization and Transcendence." To quote President Xi Jinping at the 19th CPC National Congress, "In handling relations among civilizations, let us replace estrangement with exchange, clashes with mutual learning, and superiority with coexistence." In modern times, "transcendence" has become one of the most philosophically loaded terms. Here is an example: If an established ideological theory turns out to be, in whole or in part, self-contradictory, impractical or unreasonable, it's only natural that we tie up the loose ends and draw on real-world experience to get the theory straight. In the civilizational context, transcendence doesn't mean outright denial or full replacement. Instead, it means reflecting on and "looking beyond" the results of civilizational development at a specific stage.

Civilization is a human creation. It's something we can learn and share, something we can pass on to the future. It comes from practice or lived experience, and it represents the highest form of culture. That more or less sums civilization up. The spread and development of civilization is a process of chipping away at paradoxical and contradictory notions of values.

There's no such thing as a purebred universal civilization. Instead, civilization is spread and developed through constant communication and transcendence. As a matter of fact, the keyword of the civilizational discourse system is none other than "transcendence" in an epistemological and practical sense, which means acknowledging and assimilating the reasonable part of existing values while examining the unreasonable part from a higher perspective.

The course of civilizations is in essence a process of transcendence. It is a process of advancement by embracing openness and inclusiveness, mutual learning and exchanges, self-correction and innovation. It is a process of climbing onto the shoulders of giants. It is a process of eliminating contradictory notions of values and constantly adapting to the natural logic that covers everything from the universe to the ecosystems on Earth. It is a process of constantly bringing forth new civilizational paradigms or patterns.

Without these processes, mankind would never have come thus far, let alone have a future. Let's move on to the methods and objectives of research on the civilizational discourse system.

First, we should re-examine the history of Chinese civilization so as to recognize our country's hoary preeminence and cherish its cultural heritage.

Second, we should reinterpret the history of world civilizations so as to foster a dialectical view of how the world has evolved.

Third, we should reanalyze the global implications of China's development so as to extend the breadth and depth of civilizational narratives.

Fourth, we should restudy the universal laws behind the spread of civilization so as to pinpoint the flaws in Western culture and ideology and highlight the status of Chinese civilization as a force of integration since the beginning of world history.

Fifth, we should reimagine the civilizational discourse system and the perception of civilizational values so as to inject a dose of Chinese wisdom into governance philosophy and models.

Sixth, we should retrace the development of Chinese civilization and other civilizations in the world so as to create new symbols of Chinese culture, reshape the spiritual values of Chinese people in the advancement of civilization, and thereby earn the recognition of the international community.

#### Return to the question of what civilization is.

As a value concept, civilization reflects how far society has gone and how much it has achieved. As an open complex giant system of peoples and nations, civilization is living proof of the overall trend of world history and the dynamics of reality. In other words, civilization is a distinctive form of







progressive culture. Each of the civilizations has, since the very beginning, been trying to survive and thrive by interacting with one another and learning from one another. Consequently, civilizations spread far and wide as civilizational values crystallize and evolve.

The communication and mutual learning of civilizations allow every nation or region to reorient itself, mingle with its peers and transform the objective world, without losing its own identity or the characteristics of its times. For society to transcend itself, it must share, spread and synthesize civilizational values and narratives. This is what we called the dialog of civilizations and cultural integration.

# Will Biden's Anti-China Alliances Work?

Since Joe Biden took office, he has maintained Donald Trump's high-handed policy against China. But unlike Trump, Biden prefers a different approach. He tries to do his job by forming a coalition. Now he is plotting US government's action on all fronts. Biden's China policy embodies the perennial pursuit of democratic league and balance diplomacy of the US Democrats, pro-establishment camp, and liberals. It is a timely revision of Trump's policy and an update on Obama's amid a fickle international landscape and the growing power of both China and the U.S.

The Biden administration is actually planning to form four alliances: a democracy alliance to prevent China from rewriting the world rules, a geosecurity alliance to grapple with China's rising power, an economic alliance to curb China's clout in economy and trade, and a high-tech alliance to curtail China's technological ascendancy in the 21st century.

For the first, the U.S. will use American Democracy as a standard for dividing allies from enemies. Flying the flag for democracy and universal values, the U.S. wants to rope in its allies to ratchet up the pressure on China. Its potential allies include the Five Eyes and partners in the Indo-Pacific region and Europe. Apparently, accusing China of human rights abuses in Xinjiang, Tibet, and Hong Kong is their stock-in-trade.

For the second, under a quadrilateral security framework with the U.S., India, Japan, and Australia, the U.S. tends to push Japan to be a pillar of the Indo-Pacific security architecture, and improve ties with



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India to deter China's threat. It has elevated India to a major defense partner to strengthen their security ties. Meanwhile, it will enhance defense cooperation with key allies in Southeast Asia such as the Philippines and Thailand, expand its security partnership with Vietnam and Singapore, and drum up Malaysia, India, and other countries. Moreover, it wants to throw its weight behind Taiwan in the so-called asymmetric defense strategy, and incite the U.K., France, Germany, Canada, and other allies to beef up their military presence in the Indo-Pacific region, forming a geopolitical encirclement against China.

For the third, the U.S. intends to ally countries that are against China's economic coercion, partners who seek to reduce their economic dependence on China, developing countries that try to get rid of so-called China's economic control, and other countries that want to benefit from supply chain adjustment, such as India.

For the fourth, the U.S. seeks to build a U.S.-dominated tech alliance among the so-called democratic countries and regions with the G7 members as the center. Information, capital, technology, and human resources can flow freely within the alliance, but are subject to strict scrutiny for outflow. They will tighten control on technology transfers and ban technology export to China.

These alliances are unrealistic to a large extent. After the Sino-U.S. talk in Anchorage, the Biden administration has gone all out to suppress China. Biden even successfully lobbied to include forceful condemnation of China into the G7 Summit Communique, which, however, reveals that the U.S. can never force China into submission on its own.

Currently, except a couple of anti-China pioneers led by Australia, no US allies have expressed explicit objection against China. They may echo the US condemnation of China, but will hardly take any practical actions. Apparently, US allies in Europe and the Asia-Pacific region are merely cashing in on the anti-China sentiment. With the grand alliance, the U.S. indeed no longer stands alone in countering China. It is politically correct to the U.S. and conforms to its traditional diplomatic philosophy since

World War II. However, it is unpractical.

First, the U.S. can no longer assert dominance over the world as before. US strategists generally advise Biden to give priority to domestic issues. In their opinion, the U.S. is facing technical and structural problems that are triggered from within rather than from China and Russia. Due to its poor control of the pandemic, economic recession, political polarization, and social disruption, the U.S. is now losing ground in both soft and hard power. Biden can't distance himself from Trumpism, and his allies mostly remain dubious about his strategy. It is easier said than done to restore the global reputation and dominance of a country entangled in domestic unrest.

Second, China is no longer what it was before. Through decades of development, China has come a long way in overall national strength, trade and economy, and social governance that has been proven during the pandemic. China has been seeking win-win cooperation with other countries over the years, which has won it good reputation worldwide. I think the future of Asia is more likely to be shaped by the RCEP than the Quad.

Third, ideological struggle goes against the global trend. The world today has seen profound changes in the ideological environment. Ideological bigotry will never work itself out. Ideology is no longer a standard for any international system. American Democracy has fallen in tatters in the Trump era and lost its spark. It is already an empty hope of the U.S. to lead the world with democracy as before.

Fourth, the security alliance is also inherently deficient. It has no difference from the various alliances built by the U.S. after World War II. For one, countries in the Indo-Pacific region have different interests and demands. The multilateral military alliance is relatively loose and can hardly compare to the NATO. For another, the Biden administration is excessively stretching the U.S. to create an anti-China encirclement with its allies in Europe, the Middle East, and the Indo-Pacific region. The U.S. will surely be caught flat-footed in striking a balance among these powers.







# Maintain Healthy Competition and Seek Coexistence Between China and the U.S.

Great-power competition is animating the relations between China and the U.S. It is realistic and wise to admit the existing strategic competition between the two countries and embrace healthy competition.

Both China and the U.S. admit that they view each other as a competitor, but neither of them admits or believes that the bilateral competition aims to completely "wipe out" each other. China still hopes to maintain no conflict, no confrontation, mutual respect, and win-win cooperation with the U.S. During a talk with the US Secretary of State Antony Blinken on August 16, 2021, Chinese Foreign Minister Wang Yi said that China and the U.S. should work together to find a path to peaceful coexistence. Blinken agreed.

What is healthy competition? The most important factor that differentiates the healthy competition from the vicious one is what the two sides want to gain from the competition. US National Security Advisor Jake Sullivan noted the U.S. aims to seek "competitive coexistence" with China instead of a zero-sum game or mutually assured economic destruction. This stance lays a foundation for the healthy competition between the two countries.

In addition, the two sides should adhere to the following four principles to keep their competition benign:

First, they must make it clear that China and the U.S. are not adversaries. Joe Biden reiterated that China is not an enemy of the



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U.S. I think the rhetoric is crucial to Sino-U.S. relations. But more importantly, the two countries should walk their talk: they should take concrete actions to prove that they are competitors, not enemies, which means they can obstruct or even contain each other, but not impede or strangle each other. This stance must be clear.

Second, China and the U.S. should be more inclusive of each other's values and interests. In a competition, it is righteous for the two opponents to stick to their own values and safeguard their own interests, which deserve understanding and respect. The U.S. upholds democracy and liberalism, while China gives top priority to its people, national security and development. Neither China nor the U.S. should be demonized.

Third, the two countries should compete in a constructive way. Competition rules must be put in place. They can compete like in a table tennis match, where players play at each end of the table, or in an American football match, where collisions are allowed as long as they comply with the rules. However, these rules must be agreed upon by both countries. "Guardrails" could be in place and confrontation should be contained with certain rules. In fact, the basics of competition are about honing competitive edges instead of plotting against each other.

Fourth, the two countries should adhere to the principle of nonviolence. Competition is not a war. To seek coexistence, China and the U.S. should avoid violent actions against each other and establish "guardrails" to control hybrid warfare. The desire to win is acceptable, but the wicked attempt to destroy others in order to win is not. In a healthy competition, both opponents should avoid using violence as much as possible.

In view of the current situation, China and the U.S. have basically reached a consensus on the goals and principles of their competition, which is a good starting point for the positive development of the bilateral relationship. However, the bad news is that the Trump administration had stoked a full-scale confrontation with China after the two sides reached an agreement, leading to the Sino-U.S. trust deficit that still persists. Moreover, the US Congress recently passed a number of bills to contain China, which has greatly restrained the Biden administration from engaging in benign competition with China.

In a word, the healthy competition between China and the U.S. requires great efforts of both sides, including our attendees here.







### Six Conflicts in Current Sino-U.S. Relations

Nowadays, the world is beset by three major challenges. First, the COVID-19 pandemic is worsening. Second, major climate change impacts have shocked the world. Third, the China-U.S. relations have reached a deadlock. The US "great-power competition" strategy toward China has greatly disrupted global political, economic and public safety agenda.

China-U.S. relations are mired in a deadlock. Not long ago, Chinese and US diplomats held a high-level talk in Tianjin, which was the second bilateral meeting since President Biden took office. The Tianjin talks were not as high-level as those held in Anchorage in March, 2021. This time, diplomats from two sides held candid exchanges. But unfortunately, they were not on the same page at all and didn't reach any consensus or make any commitment. The US government shall be blamed for the deadlock. And only they can solve the problem. Nonetheless, the US government has not reset a positive relationship with China, nor has it taken any action to improve the ties. Therefore, I see no possibility in further high-level talks in the short term.

About the essence of the China-U.S. relations, the Biden administration emphasizes "three Cs," namely competition, cooperation, and confrontation, in handling China-U.S. relations. China proposed a new model of China-U.S. relations long ago. But the US government did not accept it. China has not given up trying. Xie Feng, China's Vice Foreign Minister, complained that the "three Cs" strategy is a thinly veiled attempt to contain and suppress China, where containment and confrontation are the purpose, cooperation is a stopgap, and competition is a rhetorical trap.



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In this context, to grasp the essence of China-U.S. relations, we need to clarify some concepts and logical boundaries. Specifically, there are four major conflicts in China-U.S. relations.

The first one is about sanctions and counter-sanctions. In recent years, the US sanctions against Chinese companies and individuals started with the Trump administration. The latest sanctions and counter-sanctions happened before the US Deputy Secretary of State's visit to China. Four major US departments jointly issued a statement warning of business risks in Hong Kong, China, greatly disrupting the local business environment. China then imposed counter-sanctions against seven US individuals, such as Wilbur Ross, former US Commerce Secretary. The US sanctions aim to curtail China's economic and technological growth.

The second conflict is about linking and de-linking. "Delink" means "to disconnect." The U.S. has imposed steep tariffs on China's exports, prevented US high-tech companies from investing in China and banned investments from Chinese high-tech companies as well. The U.S. has also blocked high-tech exchanges and partnerships with China and banned Chinese high-tech experts and students from studying in the U.S. The purpose of US efforts to delink its economy and technology from China is to curb China's economic and technological growth. Such delinking will force China to accelerate its industrial structure optimization, increase investment in technology, and be more steadfast in technological self-reliance.

The third conflict is about deterrence and counter-deterrence. Relying on its overarching military advantage in nuclear and conventional arms over China, the U.S. often takes a belligerent and confident posture with issues about the South China Sea, the Taiwan Strait and the East China Sea, where China's core interests are involved. It tries to force China to come to terms. However, China never compromises on and resolutely safeguards its core national interests.

The fourth conflict is about subversion and counter-subversion. Based on its baseless conjecture about the conflicts between the CPC and the Chinese people, the U.S. uses both legal and illegal means to publicly or privately recruit advocates of the so-called Western democracy and human rights, and send them to China to preach their ideas. They entice Chinese youngsters with material benefits, persuade them to accept the so-called Western values, and foster hatred and contempt for the CPC and government leadership, so as to stage a "color revolution" and even subvert China's political power. Furthermore, the U.S. drafted the Ten Commandments in 1951 with an aim to subvert China. And the document is still valid today after several revisions. China, on the other hand, has been boosting economic growth, improving social governance, and ramping up anti-espionage, anti-infiltration and anti-subversion campaigns to promote socialism with Chinese characteristics and







thwart US government's attempt to subvert China.

The four major conflicts in China-U.S. relations reflect another two conflicts.

One of them is about containment and counter-containment. As I have said, the US sanctions, delinking, deterrence and subversion against China all aim to prevent, or at least greatly curb China's growth. The U.S. never wants to see, let alone accept that China may outrun the U.S. Regardless of whether China plans to overtake the U.S., it is impossible for China to be untouched by the US containment as long as it seeks further growth and meets the ever-growing material and cultural needs of its people. The U.S. aims to deprive China of its right to development through containment. That is unjust. China's counterattack against the US containment is a righteous fight for the right to development.

The other conflict is about hegemony and counter-hegemony. In order to remain the world's most powerful country, the U.S. tries everything possible to contain China's growth. That absolutely is hegemony, which is even worse than chauvinism and power politics.

China's counter-containment is to stand up against hegemony and uphold international justice. If China cannot rightfully reject and successfully thwart the US containment, there would be no justice and hope in this world and no future for humanity.

When it comes to the dynamics of China-U.S. relations, the U.S. is more offensive, while China is more defensive. The U.S. always launches preemptive strikes, and China carries out counterattacks. What the U.S. did shows its confidence as a powerful nation, but also exposes its anxiety about strategic threats from China. The U.S. has to leverage its advantages to prevent things from moving against it. What China did shows the country's humbleness, perseverance and confidence as an emerging power. China has time, truth, and justice on its side.

I believe that as time goes by, China-U.S. relations might see new changes. Hegemony never ends well, which has been proved in history. It will inevitably lead to a country's doom.

## Serious Misjudgments Made by the U.S. on China

The current Sino-U.S. relations are in serious jeopardy. Are China and the United States heading toward conflict and confrontation, or detente and improvement? Many are greatly concerned by this question. The root cause of the declining Sino-U.S. relations is that the United States made serious misjudgments on China. Misinformed judgments inevitably lead to misled decisions, which will then generate skewed results.

The United States considers China its "strategic competitor" and "potential adversary," believing that China intends to overtake the United States as the world's premier superpower, that China wants to change the current international order, that China does not play by the rules, that China takes advantage of the United States, and that China violates human rights. None of these assumptions and judgments that the United States has made about China can hold water or make sense.

Admittedly, China has witnessed rapid development in the past few decades and has made impressive achievements. However, this is because China is following the right path of development and continuing cooperation with other countries around the world, including the United States. The United States has been a key partner for China throughout China's decades of blooming and gained tremendous benefits from China's prosperity, which is a win-win.

China's growth has never harmed or threatened the interests of the U.S. China has never wanted to replace the United States in the global power structure. China does not want to dominate the world, let



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alone take the crown.

In terms of comprehensive national power, China's GDP per capita is merely USD 10,000, while that of the U.S. is USD 60,000. Even after another 30 years of development, China's GDP per capita will still only reach half of what the U.S. has now. Though China already surpassed the United States in GDP measured by purchasing power parity a few years ago, it has little practical implication. China's GDP will eventually catch up with and surpass that of the United States, but "catching up" and "surpassing" does not necessarily mean "displacing" it. China has the intention to promote the internationalization of the RMB, but at the moment, the RMB accounts for just over 2% of the world's reserve currency, while the US dollar makes up over 60% of it. Globally, the U.S. still enjoys a leading advantage in finance, technology, education, and the military. US politicians, strategists, and academics seem to underestimate the power of their own country while overestimating China. At its core, the problem is that they haven't figured out the fundamental purpose of China's development. China's development only serves one purpose, that is, to allow its people to enjoy a wonderful life. China does not want to compete or engage in confrontation with any other country, let alone bully or threaten any global player.

Simply assuming that China wants to change the current international rules and order is baseless. This year marks the 50th anniversary of China's resumption of its legitimate seat in the United Nations. Over the past five decades, China has been faithfully meeting its obligations under the UN Charter, abiding by the relevant UN statutes, and committed to fulfilling its responsibilities as a permanent member of the UN Security Council. China has been an active player in improving global governance and resolving various hotspot issues. China is a beneficiary of and contributor to the existing international rules and order. Accusing China of not playing by international rules and intending to subvert the current international order is totally groundless. By contrast, the United States is the one that takes advantage of the rules and order as it sees fit and arbitrarily denies them if they don't serve America's interests.

The United States claimed that China had taken advantage of it in trade, and for this reason started a trade war with China by levying hefty tariffs on Chinese products and forcing China to purchase more American goods. In retrospect, what is the point of having this trade war at all? The Sino-U.S. trade volume remains increasing, and America's trade deficit with China still exists. Much of the cost of tariffs is passed on to US consumers. Trade is the voluntary exchange of goods and services. Since both parties benefit from it, the assertion of "taking advantage of" and "being taken advantage of" is unsubstantiated.

The United States has been accusing China of human rights violations. While in reality, issues related to Hong Kong, Xinjiang, and Tibet are China's internal affairs. Without the introduction of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region ("National Security Law"), the Anti-China, destabilizing forces in Hong Kong could never be stopped and would otherwise damage Hong Kong's stability and prosperity. The Hong Kong issue is by no means a human rights issue but of China's obligation to uphold national stability, security, and unity. When rioters stormed the US Capitol earlier this year, the US government also issued arrest warrants and initiated investigations. The situation in Xinjiang demands counter-terrorism, anti-extremism, and anti-secession efforts. It would be unjustifiable to claim that the U.S. is entitled to fight terrorism in Afghanistan but China has no right to fight terrorism in Xinjiang. As for Tibet, the regional disturbances are caused by Tibetan separatist forces, which also have nothing to do with human rights. If separatist forces plot to separate Hawaii or Alaska from America, the US government will by no means sit idly by and do nothing. America's active touting allegations of human rights abuses is either out of a deliberate intent to pick fights or driven by some hidden motives.

The COVID-19 outbreak seems to be the catalyst for the deterioration of Sino-U.S. relations. China was one of the earliest victims of the pandemic, but it has never placed the blame on the United States. The out-of-control situation in the U.S. and spikes in coronavirus cases and fatalities are the results of inadequate prevention and control measures and misguided initiatives by the US Government. China will not be the scapegoat for the U.S. government's incompetence, the target of the frustration of the American people with their government, or the wrongly asserted origin of the virus despite science-and fact-based tracing showing otherwise.

China does not plan to challenge the United States, nor will it tolerate America's behavior to harm China's interests or impede its development. If Sino-U.S. relations are to improve while avoiding conflicts and confrontation, it is essential for the U.S. to change its perception of China, re-examine China's development and its policy toward the United States rationally, objectively, and realistically, review the positioning of Sino-U.S. relations, re-evaluate the interests of China and the United States, and adjust US policy toward China.

The thawing and recuperation of Sino-U.S. relations take time. But as long as both sides respect each other, are sincere about reconciling, adopt pragmatism, take the long-term interests of both countries and the international community into account, and make sound judgments about each other, then it is still possible for Sino-U.S. relations to get back on track.







# Behind Biden's Agenda to Push for Adversarial Sino-U.S. Relations

Before Biden assumed the presidency, some observers were optimistic that the Sino-U.S. relations would gradually thaw under him after a deep freeze under Donald Trump, and that the two countries would restore high-level talks. However, these optimistic expectations have not materialized.

The Sino-U.S. relations will continue to be adversarial in the long run. There are three reasons: the Sino-U.S. structural conflicts, the US political ecology, and Biden's team that is inexperienced and shortsighted.

First of all, the structural conflicts are the root cause and there are four conflicts fueling the tensions between China and the U.S. From the US viewpoint, they are hard to be defused:

First, the U.S. is worried that China may challenge its global hegemony. For a long time, the U.S. has been a superpower that can act globally and dominate the international order. Other countries were no match to it. The U.S. also makes every effort to protect its hegemony. China is the only country that threatens the US hegemony, so decision-makers from the U.S. always view the competition with China as a zero-sum game.

Second, the U.S. has been on the top of the pyramid of global supply chains. It enjoys the highest added value and reaps huge economic benefits of its position in the vertical division of labor among countries. While China used to be at the mid- or even low-tech end of global supply chains. With China's increasing technological strength



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and industrial upgrade, the U.S. now faces a lot of pressure. For some time to come, China may exceed the U.S. in emerging technologies such as alternative energy, biotechnology, and space technology. The U.S. worries that the absolute technological advantage it has enjoyed for more than 70 years and the unrivaled industrial competitiveness it has in global value chains will weaken or even disappear. So it has gone all out to prevent this from happening.

Third, the U.S. used to have the greatest say in politics and culture. It views its social, economic, and political models as universal standards. However, China's development experience or the Chinese model poses a challenge to the universality and superiority of the US model. The U.S. will not stand that the Chinese social model built on values totally different from the US values may overtake the US model in developing countries. So, the U.S. views China as a rival who has challenged the universality of its development model and its dominance.

Last, a variety of political and economic factors in the U.S. have given rise to a huge gap between rich and poor and conflicts of interest among different populations. The benefits of globalization are extremely unevenly distributed in the U.S. The conflicts keep escalating. To divert attention from the conflicts, the U.S. needs to find a scapegoat. It blamed illegal immigrants for taking away good jobs from American workers and attributed the hollowing out of US industries to China. Donald Trump was keen to play the blame game.

It's never easy to defuse the four conflicts in a short time given the US hegemony mentality. These structural conflicts are the root cause of Sino-U.S. tensions.

The second reason is the US political ecology. Biden won the election by only a slim margin. The Democratic Party may easily lose their majority in Congress since Republicans and Democrats each control 50 seats in the U.S. Senate. In other words, Biden governs in Trump's shadow. Trump has already stirred up hostility or at least discontent toward China in the U.S. He exaggerated the threat from China. Amid a rise in populism, the Biden administration fears for the accusation of being weak on China.

For example, Biden's financial advisers clearly know that the Sino-U.S. trade war waged by Trump and the tariffs he imposed on 360 billion dollars worth of imports from China are no good for the U.S. The U.S. is actually shooting itself in the foot by doing so. But his diplomatic team will not cancel the tariffs for fear of being criticized by the media and Congress. Therefore, Biden's fragile political base stops him from doing the right things, for he is afraid of the pressure and condemnation from the Republicans, which is unfortunate.







Last, the national security advisers and Secretary of State in the Biden administration all lack experience. They have no big vision nor wisdom. They are good at playing tricks but are unable to see the big picture. They paid lip service to Sino-U.S. cooperation on key issues, and have never made any effort to boost such cooperation and reset Sino-U.S. relations for the better. They don't have the courage nor the ability to do so.

Facing many critical issues that threaten the fundamental interests of both China and the U.S. in the medium to long term, the two countries can't even reach a consensus on cooperation. Such issues include global warming and the COVID-19 pandemic that may keep haunting human societies for a long time.

If China and the U.S. had teamed up and formed a global effort with other countries, the pandemic would have already been put under control. Such issues also include the North Korea issue, antiterrorism, and the post-war reconstruction in Afghanistan. However, Biden's diplomatic team has not shown any courage to cooperate with China on these issues. Overall, I'm not optimistic about the future of Sino-U.S. relations.

### Keynote Speeches at the Seminar on Sino-EU Relations of the Sub-session on International Relations

### More Tolerance and Understanding Needed for Civilizational Dialogue Between China and Europe

Sino-Europe relations are built on a dialogue between two civilizations, which once yielded a wealth of knowledge to human society and human civilization, and benefited both sides greatly. However, the interaction between China and Europe in recent years shows that more tolerance and empathetic understanding are needed. This sets the premise for the dialogue between these two civilizations to be sustained for mutual benefits.

The long-standing interactions of Chinese and European cultures can be dated back to the Han and Tang dynasties and the Roman Empire. Back then, cross-civilizational trade and exchanges flourished between China and Europe. Among them, the most famous instance is linked to Marco Polo, the Venetian merchant who traveled to China. He had a friendship with Kublai Khan, the emperor of the Yuan dynasty, and after his return to Europe, one of his cellmates recorded the stories of Marco Polo as a travelogue. The book was widely distributed in Europe, leading to the increasing interest of Europeans in Eastern civilization and culture.

During the 16th and 17th centuries, the Pope was intrigued by China and sent the first group of missionaries to China. These missionaries



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then discovered the wonders of the Chinese culture. Initially, they were assigned to preach Roman Catholicism to the Chinese, but they ended up taking on a crucial task—translating classic Chinese literature including the Four Books and Five Classics into Latin and sharing them with Europeans. These ancient Chinese canons made a substantial impact on European civilization and inspired the thinkers of the Enlightenment. Throughout the 18th century, Chinese culture became a key source of inspiration for the ideas of Enlightenment.

The civilizational dialogue between China and Europe was of great benefit to both sides. Traditional Chinese culture inspired European society, and in turn, the advanced knowledge of mathematics and astronomy in Europe was brought into China by the missionaries, Matteo Ricci in particular, delivering far-reaching influence. For the first time, the Chinese imperial court and its people gained awareness of other civilizations in the world. They realized that Chinese civilization could be enriched by interacting with other civilizations.

It is worth noting that the successful cultural exchanges between China and Europe at that time was based on the "Ricci Rules," that is, Catholic missionaries should not interfere with Chinese customs and traditions and should respect the Chinese tradition of giving reverence to their ancestors. Ricci instructed the missionaries to respect these Chinese traditions despite their incongruence with Catholic principles and European practices. With these rules in place, the religious culture advocated by the missionaries was accepted and carried forward in China.

But at the beginning of the Qing Dynasty, Pope Clement XI opted for intolerance. He asked the missionaries to stop respecting Chinese cultural traditions, forbade Chinese Catholics to continue worshiping their ancestors, and forcefully demanded that they abandon the so-called "backward" customs. The Emperor Kangxi of China was furious and denounced the missionaries for violating the "Ricci Rules" and interfering with Chinese cultural traditions. As a result, Kangxi banned the spread of Catholicism in China and expelled those missionaries who did not respect Chinese traditions to Macao, including Cardinal de Tourno, who was sent by the Pope. For centuries after that, cultural exchanges and civilizational dialogue between China and Europe were at a standstill, which became a lesson learned from history.

After China's reform and opening-up, exchanges between China and Europe were on the rise. Through the exchange of civilizations and cultures, China has incorporated a lot of modern knowledge from Europe, including state governance models and business management styles. In the early stage of reform and opening-up, China invited some European specialists to reform Chinese enterprises and even appointed some German experts as factory directors in state-owned enterprises. The exchanges

between China and Europe have played a notable role in the modernization and development of China in the post-reform period as well as the improvement of modern governance in China. Meanwhile, through the exchanges with China, European countries were also impressed by the influence of traditional Chinese culture on modern society, which led them to reassess the role of historical traditions. Unfortunately, in recent years, European public opinion has grown less "tolerant." Some have begun to judge and criticize the Chinese model of social governance, complaining that the Chinese have not followed the path that Europeans have recommended. Naturally, these criticisms and accusations provoked a backlash from both the Chinese government and the Chinese people. As a result, both sides began to point fingers at each other with tit-for-tat actions.

Lessons from history must be learned. If the current European society adopts a similar mentality to that of Pope Clement XI, believing that they are capable of transforming China's traditional culture and its contemporary model of social governance, then the exchanges between China and Europe are bound to reach some kind of impasse, as they did back then, which will not promote mutual appreciation between Chinese and European civilizations. And if we refuse to strengthen civilizational exchanges or understand each other's positions, isolation will become inevitable. If China and Europe move to isolation, the development of human civilization will definitely be slowed down.

It is recognized that China and Europe hold different views on social governance models and human rights standards, one of the most straightforward examples being the COVID-19 pandemic. Not long ago, a mass protest took place in Europe, demanding the lifting of pandemic prevention and control measures, after which the local government had to deploy a large number of police forces to maintain order. The Chinese may find this quite unusual and hard to accept based on our traditions and habits. On the other hand, Europeans who grew up in a different environment upholding different social values compared to the Chinese may fail to grasp the rationale behind measures taken by the Chinese government to prevent and control the pandemic. However, if we can be more tolerant and understanding of the social and cultural context behind these pandemic control policies on a deeper level, it can be easier to resolve corresponding misunderstandings and differences.

In fact, unlike the "Pax Americana" model championed by the United States, China and Europe share similar aspirations and both advocate notions such as "diversity of civilizations", "multipolar world order", and "cross-cultural exchange and development." But it is problematic that while the Europeans promote "diversity of civilizations" in Europe for European integration, they ask China to pursue a path that pleases Europe. In my opinion, Europeans should suit their action to their words on this front and adopt a more tolerant approach to the national conditions of China with empathetic thinking. Only then will China and Europe be able to join forces to tackle global challenges faced by humanity.







#### On the International Relations of China

The world today lives remarkable transformations, especially at the international level. The international community is experiencing continuous evolution due to the change in the balance of global powers. Moreover, the values on which international relations should be based, in accordance with various international charters, especially those of the United Nations, have not been achieved, while some manifestations of the use of force in all its forms, prevailed on the international arena, which resulted in fierce wars and instability in different countries and regions. Meanwhile, countries are facing great challenges due to the emergence of non-traditional threats. The question we all ask is, what can the emerging powers offer to international relations and humankind in general?

China's foreign policy is characterized by its great involvement in bilateral and multilateral diplomatic work, and it has a diplomatic network among the widest in the world. China has not only a strong and committed participation within regional and international organizations, but it also plays a positive role within those organizations. Moreover, what distinguishes Chinese foreign policy is that it is based on clear principles that are in line with the standards on which international relations should be based, including respect for the sovereignty of states, non-interference in their internal affairs, and being as far as possible from conflicts and wars. This peaceful nature of Chinese diplomacy is supported by many political parties around the world. Meanwhile, it has put forward initiatives aimed at finding real and fair solutions to many conflicts and problems in the world, based on giving priority to the interests of peoples and their right to choose their destiny away



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#### from foreign interference.

China firmly supports the principle of respecting the rules of international law and maintaining the international system centered around the United Nations, and the need to build it on rules agreed upon by the international community as a whole, and not according to the logic of force. China pays special attention to developing countries, and provides several paths for cooperation and partnership of mutual benefit, which provide valuable opportunities for developing countries to achieve development according to their specificities, and may contribute to mitigating the gap between developed and developing countries and making them work together to promote shared development and prosperity. As an example, China has shown great responsibility toward the international community since the outbreak of the pandemic. In addition to its success in containing the pandemic and developing various vaccines in record time, China shared this success with the world, by providing medical equipment and supplying vaccines to other countries, such as Algeria.

China has been a reliable partner for Arab and African countries for many years, and both the Forum on China-Africa Cooperation (FOCAC) and the China-Arab States Cooperation Forum (CASCF) are evidence of the interest that the Chinese political leadership attaches to developing countries. China not only supports the development of Arab and African countries but also strives to coordinate development strategies between African and Arab countries and the Chinese partner, which is not currently offered by any of the major countries. Moreover, the cooperation between China and these two geographical spaces has provided an opportunity for the countries of the two regions to enhance cooperation and improve levels of regional integration, thanks to various Chinese initiatives in many sectors of trade, infrastructure, and investment.

What distinguishes Chinese foreign policy is that it stems from a great historical and cultural heritage. China, which always asserts that it is not looking for hegemony, has always expressed its willingness to learn from other civilizations and countries, especially those that agree with it in the general principles that guide its diplomatic activity. China is like an old friend of Algeria. Algeria and China share a glorious struggle and revolutionary past and China has been a historical friend of Algeria, which is the first country that enters a comprehensive strategic partnership with China in the Arab region. More than that, Algeria and China share a lot of principles within which the foreign policy of each of them crystallizes, including full respect for the sovereignty of foreign countries, avoidance of interference in their internal affairs, and respect for UN charters. The world today needs China as a strong actor in the international community, which would achieve a greater balance in international relations. Algeria is ready to work closely with our Chinese friends, to further strengthen bilateral relations, for the benefit of both countries and humanity as a whole.







# Always View the Development of Sino-EU Relations from a Strategic Perspective

As two major countries, two major markets, and two major civilizations, China and the EU wield considerable influence over the Sino-EU relations and the rest of the world in what they decide to advocate, oppose, and cooperate on. Therefore, most importantly, both sides should take a strategic approach to the development of Sino-EU relations, actively strengthen the long-term ties between China and the EU, resolve conflicts and disagreements, and jointly respond to various global challenges.

First, promoting long-term ties and cooperation between China and the EU helps improve people's well-being on both sides.

Since the establishment of diplomatic ties between China and the European Economic Community 46 years ago, the two parties have had frequent high-level exchanges, which play a key role in Sino-EU relations. Various dialogue and cooperation mechanisms have been created and improved, effectively promoting the development of relations between the two sides; trade and investment cooperation between China and the EU has been on a stable growth path, leading to the booming economies on both sides.

The EU has been China's biggest trading partner for 16 consecutive years since 2004, and China overtook the U.S. as the EU's number one trading partner last year. China is also the EU's fastest-growing export market and source of imports, with a more than 250-time



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growth in bilateral trade volume compared to that of the early years when diplomatic ties were first established. Exchanges and cooperation between the two sides in the fields of education, culture, science and technology have been fruitful, and people-to-people exchanges have reached 8 million, greatly enhancing mutual understanding. The development of Sino-EU relations should be based on the actual and long-term interests of each side, in order to enhance people's well-being on both sides.

### Second, it is of great significance for China and the EU to strengthen cooperation and jointly respond to various global challenges.

We are in a once-in-a-century time of great change and uncertainty in the global landscape. Economic globalization has been put in check, multilateralism has suffered setbacks, unilateralism and protectionism are manifested in various forms, terrorism is posing an increasing threat, climate change has loomed especially large, and the COVID-19 global pandemic has taken a heavy toll on international trade and investment, bringing unprecedented challenges to industrial production and everyday life.

At this critical moment when the world is at the crossroads, China and the EU, as two important global forces, should work together to uphold multilateralism, reject unilateralism and protectionism, intensify efforts in macroeconomic policy coordination, jointly maintain the stability of the global industry chain and supply chain, support global cooperation in the fight against COVID-19 and the healthcare sector, facilitate the recovery of the global economy, and promote peace and stability worldwide. Meanwhile, China and the EU should improve their comprehensive strategic partnership in terms of global influence, thus making a greater contribution to the world's peace and prosperity.

### Third, meaningful dialogues are fundamental to the healthy and stable development of Sino-EU relations.

China and the EU are different in terms of social systems and ideologies. The two sides are also at different stages of economic development. Therefore, it is quite normal that the two sides have different views on certain issues, and some frictions and conflicts may arise from time to time in the development of the bilateral relations.

However, China and the EU have no fundamental conflicts of interest and they do not pose a threat to each other. China has always attached importance to Sino-EU relations and regards the EU as a partner rather than an opponent. The cooperation between the two sides greatly outweighs the competition, with more consensus than disagreements. Both sides should uphold the principles of







mutual respect, equality, seek common ground while reserving differences, non-intervention in each other's internal affairs, and non-interference in their respective development paths. China and the EU are expected to create dialogue, strengthen communication, and properly manage conflicts, instead of issuing unilateral "statements" or "resolutions" on China, as some European institutions do. This has caused serious disruptions to Sino-EU cooperation.

After China established diplomatic ties with the European Economic Community in 1975, Sino-EU relations faced numerous challenges and setbacks, but in the end, both sides managed to hold a big picture in mind, overcome obstacles, mitigate frictions and conflicts, and focus on cooperation, jointly promoting the steady development of Sino-EU relations. This shows that as long as both sides stick to the agreed direction and key principles of Sino-EU relations from a strategic perspective, such relations will be able to withstand various trials and keep moving forward.

Fourth, China and the EU should look forward, seize new opportunities and emerging momentum, strengthen cooperation between the two sides, and provide greater stability for the unstable world.

Since the COVID-19 outbreak, China and the EU have made joint efforts to complete the signing of a bilateral agreement on geographical indications and the negotiation about EU-China Comprehensive Agreement on Investment. Moreover, both sides have agreed to establish two high-level dialogue mechanisms on the environment and climate change as well as digital cooperation, with the aim of building a green partnership and a digital partnership. China and Europe share common interests in promoting global economic recovery in the post-pandemic era, addressing climate change, strengthening cooperation in the health sector, and improving global governance. 2021 marks the start of China's 14th Five-Year Plan and the launching of the EU's large-scale recovery plan, signaling a promising future in Sino-EU cooperation. Both sides should strengthen cooperation and create more opportunities for mutual benefit and win-win results. In this way, Sino-EU relations will remain stable and improving, and thus providing greater stability for a volatile world that is experiencing profound changes.

### Sino-EU Relations: The Way Forward

In 2020, we saw positive steps taken to foster Sino-EU relations, notably regarding the economic and trade relations, with the signature of the Geographical Indications Agreement and the political conclusion of negotiations on a Comprehensive Agreement on Investment. Regrettably, new tensions resulting from increasing disagreements between Europe and China have had a serious impact on the relationship since March 2021. The Comprehensive Agreement on Investment was also suspended after the seven-year-long negotiation. Meanwhile, European public opinion has become much more negative on China, and questions the rationale behind the increasing assertiveness of China's external relations.

In this context, what is the European Union's analysis, and what should be the way forward?

First, the pandemic crisis has exacerbated tensions prevailing in the international system. A year ago, the disputes focused on trade and technology; today, it is about the very principle of political coexistence, with dangerous rhetoric such as "getting ready for the worst outcomes." There is less flexibility, less compromise, and less opening in international relations today than there was before the pandemic. The shared spaces of cooperation between the EU and China are shrinking, not expanding.

Secondly, Chinese diplomacy adopted a new tone. However, Europeans are concerned by the narrative according to which "the East is rising and the West is falling," and stating that the management of the pandemic has proven the "superiority" of the Chinese governance system, and the "failure" of Western liberalism.



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Such ideas and political point-scoring are not conducive to promoting a positive and constructive international agenda, and they are one of the factors feeding negative perceptions of China.

In view of these unfortunate developments, what should be done from an EU perspective? Speaking to Foreign Minister Wang Yi on July 8, Josep Borrell, the EU's High Representative for Foreign Affairs and Security Policy, said that "despite the serious disagreements we have had and still have, working together is not only an option but a necessity"; disagreements have to be tackled squarely and seriously in order to consolidate the basis for cooperation.

Some would say that ideological differences or geopolitical rivalry are not new and do not prevent trade and investment flows. However, it is only partly true. Globalization means interdependence, and interdependence requires trust, fair competition, a level playing field, and most importantly, common rules of engagement. So we cannot be but concerned by the way China is challenging the rules-based international order. We, Europeans, will continue upholding our principles and our values. The EU-China Strategic Outlook, adopted in March 2019, remains valid. We do not seek confrontation, but we will not shy away from defending our values and our interests, in accordance with universal values and international law, whatever the issue is.

We call for pragmatic and reasonable engagement on all matters of shared concern between China and the EU. The challenges of our times dictate a common response: this is what we are inviting China to do on climate change, energy, and agricultural policies. We do not fear fair and open competition. But the soon-to-be-released position paper by the European Union Chamber of Commerce in China will once again point out the numerous obstacles standing in the way.

I was recently asked by a senior Chinese official whether the EU stands against the rise of China. Let me give you a short and straight answer: No, quite the contrary, for China's modernization and prosperity is critical to global growth.

# Strategic Partner or Systemic Rival? —An Interpretation of Sino-EU Relations Based on EU's Three-Faceted View of China

China and the EU entered into a comprehensive strategic partnership in 2003. As the then Deputy Director-General of the Department of European Affairs of the Ministry of Foreign Affairs, I engaged in and witnessed the whole process. I clearly remembered that China and the EU caught the world's attention by showing great coherence in strategies, complementary economic ties, and eagerness in cooperating with each other in various areas. Since then, their comprehensive strategic partnership had produced fruitful results, which not only benefited both sides, but also contributed to the stability and development of the entire world.

However, the EU labeled China a partner, economic competitor, and systemic rival in March, 2019. This new stance no longer highlights the comprehensive strategic partnership but instead underlines the competition between the two sides. In particular, the EU referred to China as a "systemic rival" for the first time. This sharp turn reflects the EU's misperception of China, its concern and anxiety about China's rise, and its lack of rational judgment on the problems in Sino-EU collaboration. More importantly, it shows that the EU has been greatly affected by the US policies against China since the Trump administration. This new stance has led to the incongruity of policies towards China between the EU and some of its member states. And its emphasis on "competition" and "rival" has greatly disturbed Sino-EU relations.



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The EU has introduced a slew of policies that are not conducive to Sino-EU investment cooperation. The EU has harmed China's interests over Xinjiang, Hong Kong, and Taiwan issues and imposed unilateral sanctions against China based on misstatements, which challenged China's national sovereignty and dignity. These acts are unacceptable to the Chinese people and the Chinese government has every right to make appropriate and necessary responses. China and the EU reached the Comprehensive Agreement on Investment amid numerous difficulties and challenges. But that cooperation momentum has faded away. The Sino-EU relationship has fallen into a dilemma, making it difficult to advance the major agendas for cooperation between the two sides. This must have broken the heart of those who care about and support Sino-EU cooperation.

Now, the world is undergoing profound changes unprecedented in a century, which are characterized by a complicated international landscape, the prolonged COVID-19 pandemic, and difficult economic recovery. The world is pressing for China and the EU to strengthen cooperation and work with the international community to tide over the difficulties. This is also in the interests of the two major powers. How will the Sino-EU relationship develop in the future? The two sides must size up the situation to give a responsible answer.

China's answer is clear and firm. China believes that Sino-EU relations are based on broad common interests and similar strategic demands. There are no major conflicts of interest or geopolitical conflicts between China and the EU. For them, cooperation and consensus far outweigh competition and divergences. Therefore, China believes that the two sides should view each other as comprehensive strategic partners, a mutual perception that has stood the test of time. China has shown its sincerity to further the relationship with the EU many times. It is willing to work with the EU to push ahead with the major agendas in the next stage, continue to deepen pragmatic cooperation, and enhance communication, coordination, and cooperation in bilateral issues, such as responses to

the pandemic, economic recovery, climate change, WTO reform, and multilateralism. In the meantime, China will firmly safeguard its sovereignty, security, and development interests.

Based on my observation, the EU hasn't shown any clear stance on China up till now. Recently, some of its member states and some forces in the European Parliament violated the One-China principle regarding the Taiwan issue, which has sent a wrong message. We hope that the EU institutions and member states could view China's development objectively and rationally, so that they can see how China's deepening reform, further opening-up, and growing strength will benefit and present new opportunities to Sino-EU cooperation. We hope the EU could dispel the outdated prejudices against China and refrain from doing anything that may harm China's interests or harm the bilateral relations based on mutual respect. We hope the EU could uphold its strategic autonomy, show political courage, and make decisions that conform to the fundamental interests of the EU, therefore joining hands with China to walk out of the woods as soon as possible.

Sino-EU relations are vital to both sides and the entire world. China and the EU should draw lessons from history, adhere to their original aspirations, enhance mutual understanding, and always maintain their relationship from a strategic and broader perspective, so as to promote the stable and sustainable development of bilateral ties.







### Sino-EU Relations: The Way Forward

As the relationship between China and the EU continues to evolve, I believe that the impetus for close Sino-EU relations remains strong. Despite challenges, China and the EU are important players on the world stage, and the cooperative relationship between us is key to our mutual prosperity and also for overcoming the global challenges that we're facing. If we want to achieve the Sustainable Development Goals (SDGs) and address the challenge of climate change, close cooperation between the EU and China is crucial. The EU needs China. And China needs the EU.

Sino-EU relations face a number of challenges. Some believe that cooperation is at stake, citing EU's sanctions imposed on China. Moreover, the notion that the EU is greatly affected by US strategy towards China is inaccurate. On the one hand, the EU didn't issue sanctions on China overnight. Over the years, it has been raising its concerns with China through both bilateral and multilateral mechanisms. On the other hand, the EU does not take its orders from Washington. For example, when the U.S. stepped out of the Paris Agreement, the EU did not follow. When the U.S. stepped out of the Joint Comprehensive Plan of Action (JCPOA) with Iran, the EU did not follow. When the new candidate for the Director-General of WTO was nominated, it was blocked by the U.S., but the EU did not follow. Therefore, China should not make a caricature of the EU blindly following the U.S. The bilateral relations between China and the EU are built on the respective interests of both sides. We hope that China and the U.S. will engage in good faith dialogue, and enhance mutual understanding and practical cooperation.

So where do we go from here? Regarding the Sino-EU trade



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relationship, although international trading systems have been dominated by the West throughout history, the EU has always wanted to develop mutually beneficial trade ties that generate equitable outcomes. The pressure on international trade due to the pandemic continues to pose real risks. The EU hopes to reduce trade tensions and maintain promising partnerships based on reciprocity. To this end, we are willing to conduct discussions with China, the U.S., and all other stakeholders. In the upcoming WTO Ministerial Conference, all trading blocs need to cooperate to make sure that the system functions properly, and we need to make sure that individual countries won't feel isolated.

On the subject of human rights, China has made impressive progress. The EU is not here to tell the Chinese people how to govern China. Human rights engagement is aimed at promoting universal human rights in all countries. China has also made impressive achievements in poverty reduction. However, more efforts are expected from China in realizing the SDGs.

This year will be a crucial year for tackling climate change. The EU hopes that the Paris Agreement can be fully implemented and show that the world is not backtracking, but making progress, on its commitment to climate issues. That's why we very much welcomed the ambitious plans laid out by President Xi, in which he announced that China will strive to reach its peak in carbon emissions by 2030 and become carbon neutral by 2060. The Netherlands and the EU will do their part by reducing carbon emissions by 55 percent by 2030, and achieving carbon neutrality by 2050. The EU also calls upon all countries to follow suit and work together to reach the climate action goals.

All in all, I still believe very strongly that the impetus to build solid Sino-EU relations is strong. Both sides have a stake in building an international economic system that delivers prosperity, the protection of universal human rights, and a sustainable future for generations to come. And both China and the EU are key contributors to achieving these objectives. If we are to succeed, we need to engage in good faith dialogue and take each other's concerns seriously.







# EU's Evolving Strategy Toward China and China-EU Relations

As the world's only regional organization that operates through a supranational and intergovernmental dual structure, the EU has had no lack of challenges and crises during its expansion, resulting in its many policy adjustments since establishment.

After the Treaty of Lisbon entered into force in 2009, the EU reformed its diplomatic system by setting up the European External Action Service, which not only enhanced the collaboration in diplomacy between the EU and its member states, but also empowered the High Representative of the EU for Foreign Affairs and Security Policy.

Between 2008 and 2016, the EU suffered from the European sovereign debt crisis and the refugee crisis. Governments at all levels devoted most of their efforts to resolving the problems within the EU. As a result, they could hardly spare much time for foreign relations. During this time, though at a slow pace, the EU started a significant adjustment in its policies. In 2016, the EU rolled out a China policy, signaling its shift to a new policy approach to China-EU relations.

This shift began with the comprehensive adjustment to its foreign policy that commenced after Jean-Claude Juncker took office as the President of the European Commission (EC). To be more specific, it was signified by the EU's promulgation of two policy documents, namely "Trade for All: Towards a More Responsible Trade and Investment Policy" published in October 2015 and "Shared Vision,



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Common Action: A Stronger Europe - A Global Strategy for the European Union's Foreign and Security Policy" launched in December 2016.

It is noteworthy that although the two policies take on two different perspectives, they both show the pivot to values. Trade is pragmatic. However, then EU Commissioner for Trade Cecilia Malmström specifically stressed the importance of values. As noted in her foreword for the trade policy, one of the important lessons from EU's trade practices is that its trade policy should project not only the Union's interests but also its values. In the 35-page document, the word "values" appears 15 times and "human rights" 26 times.

As an echo to this policy, the foreign and security policy paper mentions "values" 26 times and "human rights" 31 times. Federica Mogherini, then-High Representative of the EU for Foreign Affairs and Security Policy, noted in the foreword that, "A fragile world calls for a more confident and responsible European Union, it calls for an outward- and forward-looking European foreign and security policy."

The EU always deems itself as a normative power. The release of the two documents signaled that the EU was proactively adjusting its policies and targets based on its positioning as it gradually walked out of the woods, binding interests with values in foreign relations and vigorously promoting its values to boost its clout in international relations.

It was in this context that the EU rolled out a new policy toward China in June 2016. In the 19-page document, the word "values" appears 10 times and "human rights" 17 times. It is proposed in the document that the EU's engagement with China should be principled, staying true to the EU's interests and values.

During Juncker's tenure as the President of the EC, the EU saw major adjustments to its China policy. Before its refusal to endorse China's Belt and Road Initiative, EU rejected granting China the market economy status when the 15-year transitional period for its accession to the World Trade Organization expired, dismissing the tremendous achievements China made in its market reform. The EU passed its revised anti-dumping rules at the end of 2017, taking a more rigorous approach to imports from China. It initiated anti-dumping investigations against China, and stepped up the formulation of regulations and countermeasures to curb China's subsidies to domestic companies.

In September 2017, Juncker delivered his annual speech on the State of the EU, pointing out the reasons for introducing new rules. He noted that if a foreign, state-owned company wanted to purchase a European harbor, part of the EU's energy infrastructure or a defense technology firm, this







should only happen in transparency, with scrutiny and debate, adding that it is a political responsibility for the EU to know what is going on in its own backyard, so that it can protect its state members' collective security if needed.

The EC proposed a regulation on an FDI screening mechanism to the European Council and the European Parliament the next day. The regulation was approved in March 2019 and took effect on October 11, 2020. It covers the procedures to assess, investigate, authorize, condition, prohibit, or unwind foreign direct investments.

Juncker's five-year tenure came to an end with European Elections in 2019. To leave a political legacy to the next EC, the Juncker Commission released its second policy paper on China in March. Central to the policy is a redefinition of the EU's ties with China. Although it is mentioned in the document that the EU would continue its engagement with China, the previous positioning of the relationship as a reciprocal bilateral one has been overturned. For the first time in history, the EC cited China as a systemic rival. Moreover, it specifically underscored that the EU and China are competing with each other in the economic field, especially in the technological field. The EU is in the pursuit of technological leadership.

After Ursula von der Leyen was appointed the President of the EC, she immediately announced that geopolitics would be the keyword of her Commission and launched a number of policies and measures toward China. For example, in early May 2021, the EU unveiled a new industrial strategy to support the establishment of new alliances, so as to diversify international supply chains and reduce the EU's strategic dependencies. Although China's name wasn't explicitly mentioned in these official documents, it is clear that the actions were aimed at China.

Despite its many changes to policies, the EU has also been enhancing its political unity with ideological cohesion, in an attempt to speak to China with a single voice. In short, the EU is connecting politics with economy and trade, making them an indivisible whole. Owing to this change, the China-EU relations are increasingly tough.

The aforementioned EU actions are seemingly not intentional. However, when looking into the changes of the EU's policies in recent years, we may identify an inevitable trend. Behind its efforts to increase pressure on China in the name of defending its values is the EU's fear of the rising of China and its lack of confidence. The EU's policies in industry, trade, technology, and investment are all aimed at slowing China's ascendency and helping the EU regain its dominant position.

For the reasons above, the EU's hard-line policies toward China cannot be simply deemed as a result of the pressure from the U.S. The EU is looking to get closer to the U.S. and exerting pressure on China is in the interests of both the U.S. and itself. The EU and its member states are generally satisfied with the Biden administration. It pins great hopes on Joe Biden, looking forward to fixing transatlantic relations in all aspects.

As a non-governmental think tank, we should dive deep into the changes in the EU policies and seek cooperation opportunities with the EU amid competition. Despite its harder-line stance against China, the EU has to cooperate with China in major international affairs, hot-button regional issues, and topics regarding bilateral relations.

Therefore, we need to look carefully at the reasons for the EU's policy changes, monitor the development trend of China-EU relations, and take the initiative amid changes to promote mutual respect and a win-win situation between the EU and China.







# Shared Values and the Changing Fabric of International Relations

Currently, a multipolar world order is in the formative stage, which means the unipolar system that came into existence following the dissolution of the Soviet Union and the collapse of the bipolar system has run its course, whereas the multipolar system that took its place has yet to reach maturity. Lying at the heart of the unipolar old world were the U.S. and its allies. These countries are gradually losing traction to the emerging powers, such as China, Russia—a phoenix rising from the ashes, rising India, and burgeoning Brazil.

In the real world, two stances prevail. The U.S. and its allies hold on to the so-called "rules-based international order," insisting that China, Russia, Iran and other "revisionist states" that say no to the existing rules are bent on undermining the international order. Carried away by such an assumption, the old guard is trumpeting the containment policy against China, Russia, Iran, and other countries that fling down the gauntlet to American hegemony without an instant's hesitation.

The obsession with containing China has its roots in the historical and philosophical theories of American ideologues. According to those people, all countries will sooner or later adopt the Western models based on democracy, the market economy, and the rule of law, and any country that refuses to do so must be contained, so it won't be strong enough to defy the "fate of the world" or hamper other countries from following the "only right path." Once tamed, the "rogue state" will be thrown a carrot and given time to self-correct through, say, government reshuffle, to the point that the new leadership will "stay on the right side of history."



#### Alexander Lukin

Director of Center for East Asian and SCO Studies at Moscow State Institute of International Relations of the Russian Ministry of Foreign Affairs The Western stance seems to be deep-rooted, though it's rooted in some outdated theories. One of them is a simplified version of the modernization theory, which goes like this: One of the inevitable by-products of a free market economy is the middle class. At a certain time, the middle class will start asserting its political rights, which paves the way for Western-style democracy. There's a chance that the Western model of development would pass for a universal law. Another outdated theory is that of democratic peace. It's posited that democracies will not wage war on one another. Neither will they challenge American hegemony, because only American hegemony can maintain a peaceful world order and the "normal" course of history.

The either-with-us-or-against-us way of thinking is not short of admirers. Western theorists in international relations who see American imperialism as the Savior and therefore believe in liberalism and neo-liberalism are among its biggest fans. However, some specialists in international politics who follow the tradition of political realism, including Henry Kissinger, Graham T. Allison Jr. at Harvard University, and Prof. Ezra Vogel who left us last year, hold a different view. Without denying, the historical dominance of the West, these researchers noted the necessity of taking the global reality into account, and particularly the ever-growing influence of China. They called for a more prudent policy, one that maintains the practice of integrating China into the international system, i.e. the engagement policy. If the law of historical development stands, they believe China will one day become a democracy. However, if the West insisted on confronting such a powerful and proud country as China, disaster would happen.

Allison, in his theory of Thucydides' Trap, made it very clear that tough policies will have devastating consequences. According to him, the present-day reality is exactly what would happen when a rising power threatens to displace a ruling power, and for most of the time in world history, such rebalancing of power ended in war. Look no further than the Greek Historian Thucydides' accounts of the conflicts between Athens and Sparta. To avoid war between nuclear powers, we need a new antidote to conflict. Unfortunately, supporters of realist theories are in the minority in the Western world. They don't have the final word on national policies.

On the other hand, emerging powers believe the West is taking an ideological approach to stem its hegemonic decline. They mince no words about the Western stance.

First, we wonder what exactly the rules behind the international order are. Western countries, however, can't give a clear answer. This explains why every time we mention a specific principle, like territorial integrity, non-interference in internal affairs, non-aggression, or self-determination, we will find out that the U.S. and its allies were the first to violate the principle, and their violation was far







more serious than that of any other country.

This shows that the world is not equal. Some countries make the rules they don't follow; others have to follow the rules they didn't make. For non-Western powers, that is surely unacceptable. The current international system is an anachronism. It's more like the thought of the Legalist school in ancient China: "The wise man creates laws, whereas the ignorant is restricted by them; the worthy revises rituals, whereas the unworthy is bound by them."

Non-Western powers see the U.S. and its allies as self-seekers who prohibit the establishment of spheres of influence unless the spheres of influence are established by themselves. The West treats other countries based on such outdated rules and won't rest content until they bring the rest of the world to heel.

Second, the so-called "rules-based international order" has never existed in the real world. It's a Utopian brainchild of Western ideologues. What they described isn't reality, but a future world based on their hypotheses. They branded China and Russia as revisionist states bent on undermining the international order. That's total nonsense. Because no country can undermine an imaginary international order.

In reality, the international order is built on a whole other set of principles. In keeping with the existing international law, this order is based on the consensus of the victorious powers of World War II. Lying at the order's heart is the UN and its Security Council. And the main principles behind the order are respect for sovereignty and the equality of nations. As things stand, the U.S. and its allies are the true rule breakers and revisionist powers. Because the current international order is reining in their hegemonic ambitions. By contrast, China and Russia are trying to maintain the status quo.

The antagonistic stance of the U.S. and other Western powers is not too hard to understand. Such a stance is driven by selfishness: They wish to keep dominating the international order. Also, ideology plays an increasingly important role in the internal and foreign affairs of those countries. The problem is, their stance is non-constructive, and it's based on a warped understanding of other countries' foreign policies. China and Russia are far from expansionist. They focus on the current international order, and are ready anytime to jointly maintain the status quo.

Granted, the Soviet Union attempted to keep the whole world under its influence and build a "Communist Paradise" on ideological grounds. But that's history. Today's Russia has no intention to adopt foreign policies based on ideologies that were once endorsed by the Soviet Union. It doesn't

seek to conquer the world or rebuild the Soviet Empire. What drives the Russian government is not an unmitigated obsession with ideology, but a large country's righteous need to defend its own territory and its sphere of influence.

Russia's stability, foreign relations and territorial sovereignty are under dire threat from two forces. One is the pro-Western opposition that doesn't mind Russia playing second fiddle to the U.S. and its allies. The other is the nationalist movement that reared its head after the 2014 Ukraine-Russia crisis. Those nationalists attempt to restore a so-called "Russian world." They wish that every international territory in which ethnic Russians live would be annexed to the "Greater Russia." The Western-backed 2014 Kiev coup threatened Russia's national security, and Russia's actions in Ukraine were nothing more than a response to the Western intervention. China holds a similar stance. It always argues that the premise of a smooth reform is internal stability.

Such an argument is well-founded. The Western attempt to slap its diktats upon others runs counter to the spirit of the UN Charter, creating chaos in many stable parts of the non-Western world. Countries like Iraq, Libya and Syria were not perfect. They did need reform. But that's not the problem at hand. The problem is, as history proved, forcing change in other countries would only end in disaster. The values and institutions imposed by the U.S. and other Western powers were divorced from local politics and culture. If lucky, those institutions would take root, though in name only. Otherwise, such imposition might lead to chaos or civil war. Not only would it do nothing to strengthen the international order, but it would also turn those unfortunate countries into hotbeds of tensions.

As a matter of fact, a shrinking number of Western countries regard themselves as the paragons of universal values and social stability. Seeing senior American politicians knuckle under to the mobs who smashed restaurants, shops and government offices in major cities, most countries will hesitate to copy the American model, even if the model is thrusted on them.

Neither China nor Russia is a revisionist state bent on breaking rules. They simply won't allow the rules of one country to compromise the sovereignty and stability of other countries. If any country wishes to forge a set of universal rules, then China and Russia will be as eager to pitch in as other major countries.

It's imperative to make rules for others to follow. However, to keep the multipolar system stable, those rules must be genuinely "international." In other words, they should be acceptable to every major player in world affairs. The rules must be made through consultation and mutual accommodation instead of muscle-flexing. Just as the Napoleonic Wars were succeeded by the Concert of Europe in the







19th century, Global Coordination should be built on the principle of political realism. Although the international community might be divided or critical over one thing or another, none of its members can disrespect the sovereignty of others. Neither can they let their disagreements spiral into serious conflicts.

There's a time-honored Chinese notion, "harmony in diversity." It sheds light on how countries are supposed to coexist peacefully with one another. We hope one day all the major countries will accept this notion. Because if they won't, chaos and conflicts will take hold across the globe. To avoid that from happening, we need, above all, to facilitate dialogue between civilizations. And surely the Taihe Civilizations Forum will play an important role in it.

# Prospects of Sino-EU Economic and Trade Cooperation Remain Positive

Bilateral relations between China and the EU are at their lowest point since the establishment of diplomatic ties in 1975. In March this year, the EU imposed sanctions on China citing the so-called "Xinjiang issue," which immediately triggered strong countermeasures from the Chinese side. The European Parliament passed a resolution to suspend the ratification efforts of the EU-China Comprehensive Agreement on Investment (CAI) if the Chinese side does not lift the sanctions. As a result, the CAI negotiations, which were completed at the end of last year, have come to a standstill. The potential restart of the ratification process remains gloomy in the short term.

First, Sino-EU economic and trade cooperation remains smooth in general, dominated by mutually beneficial and win-win situations.

The EU used to be China's largest goods trading partner for 16 consecutive years until it was overtaken by ASEAN in 2020. There are two leading causes: first, Brexit has resulted in a decrease of nearly USD 100 billion in Sino-EU trading volume; second, the U.S. has imposed additional tariffs on Chinese exported goods, forcing some of China's manufacturers who used to export to the U.S. to shift their investments to ASEAN countries, thus driving the growth of bilateral trade between China and ASEAN. The Sino-EU trade recorded a 4.9% increase last year despite the pandemic, reaching a total trade volume of USD 649.53 billion. Bilateral trade between China and the EU was up 37% in the first half of this year, totaling USD 388.2 billion.



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The EU is the third-largest source of investment in China. As of May 2021, the EU's direct investment in China has reached USD 120.64 billion. From January to May 2021, the EU's direct investment in China amounted to USD 2.38 billion, an increase of 20.8%. The EU is the third-largest destination for Chinese investment. As of May 2021, China's cumulative foreign direct investment (FDI) in the EU reached USD 83.46 billion. From January to May 2021, Chinese FDI in the EU reached USD 2.03 billion, an increase of 69.5%.

Overall, the economic and trade interactions between China and the EU have been quite complementary, and the cooperation between the two sides is manageable overall despite some difficulties. A majority of trade frictions between the two sides can be peacefully resolved through negotiations by following the basic principles of the WTO. For example, the dispute between China and the EU that occurred a few years ago over textiles and solar panels was resolved through amicable consultation. In general, pragmatic economic and trade cooperation is beneficial to both sides.

Second, the EU-China Comprehensive Agreement on Investment is of great significance to both sides and we should continue pushing it forward actively.

After seven years and 35 rounds of technical negotiations, on December 30, 2020, the leaders of the two sides announced the conclusion of the negotiations for the Comprehensive Agreement on Investment (CAI). This investment agreement is balanced, high-standard, and mutually beneficial that covers a wide range of topics, conforms to high-level economic and trade rules, and highlights institutional openness.

The agreement is "balanced" mainly because: First, while both sides are committed to institutional opening-up, it is crucial to retain necessary regulatory rights; second, while both sides focus on promoting bilateral investment cooperation, such investment needs to facilitate sustainable development.

The agreement is "high-standard" mainly because both sides are committed to promoting investment liberalization and facilitation and have completed high-level negotiations. The agreement goes beyond traditional bilateral investment treaties (BITs) to include results in four areas, featuring guaranteed market access, rules for fair competition, sustainable development, and dispute settlement. Both sides have pledged high-level and reciprocal market access with all rules applying to both parties, which will create a level playing field for enterprises and benefit both Chinese, European, and a broader range of

global businesses.

The high-level market access commitments will bring more investment opportunities for enterprises on both sides, whereas high-standard rules for fair competition will provide a better environment for bilateral investments.

In terms of market access, the agreement adopts a model of pre-entry national treatment plus a negative list management for foreign investment. For the first time, China has made commitments by offering a negative list for all sectors, including service and non-service ones, to achieve a comprehensive integration with the negative list management system for foreign investment established by the Foreign Investment Law.

In terms of fair competition, the two sides reached a consensus on topics closely related to business operations, such as state-owned enterprises, transparency of subsidies, technology transfer, regulations and standards, administrative enforcement, and financial supervision, with the goal of creating a law-based business environment. Special provisions are also included in the agreement on investment-related environmental and labor issues. Both sides are committed to maintaining a positive balance between attracting investment, protecting the environment and labor rights, and abiding by relevant international rules.

It is safe to comment that this is the first time that the EU has reached the highest level of investment agreement with China ahead of the U.S. and that the Chinese side has made great efforts to reach the agreement. This agreement is of great significance for the future economic and trade cooperation between the two sides. Regrettably, due to the EU's sanctions, the agreement has not yet entered the ratification process. This is extremely unfavorable for both sides, especially the European side.

In my opinion, it is extremely unwise to associate the so-called "human rights" and other value-related issues with concrete and practical economic and trade agendas, which are detrimental to the interests of enterprises and people in both China and the EU. The so-called "human rights" issues should be resolved through consultation and communication within the existing Sino-EU human rights dialogue mechanism, instead of arbitrarily threatening China with sanctions. Sanctions are not the answer to the existing problems and may even lead the bilateral cooperation, which is on the right track, astray. We hope that the European side will change its course and return to the right track of Sino-EU cooperation.

China and the EU enjoy a broad range of shared interests. Both sides support multilateralism and are







willing to play an active role in the United Nations, WTO, and other multilateral mechanisms. And both sides believe it is possible and they are ready to cooperate in implementing the Paris Agreement, responding to climate change, and jointly fighting the COVID-19 pandemic. We hope that both sides will actively expand the areas of cooperation, mitigate friction through dialogue, and strive to achieve mutual benefits and win-win results and benefit the peoples of both sides and the world.

# How Far Will EU Follow the US Policy on China?

Sino-EU relations should have been better than Sino-U.S. relations, but unfortunately, the bilateral relations between China and the EU have reached a stalemate and are unlikely to rebound in the short term.

The status quo of the Sino-EU relations is a result of the EU's blind following of the U.S. regarding its policy towards China. The United States designated China as a "strategic competitor," and the EU subsequently positioned China as a "systemic rival." Shortly after the United States rolled out the Strategic Framework for the Indo-Pacific, the EU announced the "EU Strategy for Cooperation in the Indo-Pacific." After the United States claimed that Huawei's 5G technology was unsafe, the EU started canceling contracts with Huawei and removing its 5G equipment. The moment the United States asserted that "the freedom of navigation in the South China Sea is threatened," European countries rushed to send warships to the South China Sea for cruising. When the United States criticized China for "genocide" and "forced labor" in Xinjiang, the EU joined in. When the United States called for a probe into COVID-19 origins in China, the EU followed suit. When the United States accused China of cyber attacks, the EU doubled down on the accusations. After the United States cast Confucius Institutes as China's another form of propaganda, the EU abruptly shut down all the Confucius Institutes in the region.

If the United States, the "leader of the group," had not done these things, would the EU make the first move? The EU blindly follows the U.S. at the cost of muting its own voice and losing its independent



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judgment. Although the EU stressed the need for "strategic autonomy" during Trump's presidency when he touted "America First," after Biden took office and declared that "America is back and ready to lead the West," the EU appeared to recover its anchor, and so the quest for "strategic autonomy" lost momentum. However, recently, when the United States decided on a rapid withdrawal from Afghanistan without discussion with its allies, the EU again raised questions about the reliability of the U.S., thus turning its gaze back to "strategic autonomy."

China is not opposed to close relations between the U.S. and the EU. After all, they are allies. It is also understandable that the U.S. and the EU have aligned policies toward China. However, as one of the poles in the multipolar world, the EU should not act like America's sidekick on relations with China.

There is no fundamental conflicts of interest between China and the EU, which is quite different from the Sino-U.S. relations. The bilateral relationship between China and the EU is not troubled with issues left over from history. Nor are they strategic rivals. China has never done anything to jeopardize Europe's interests. It has been consistently supporting the European integration process and always supports the EU's initiative to play a more constructive role in international affairs.

During the European debt crisis, China offered to lend a helping hand to the EU; when some other country withdrew from the Paris Agreement, China firmly supported Europe's efforts to tackle climate change. On hotspot issues such as the Iran nuclear deal, China and the EU have resisted external pressure and maintained similar positions; in international affairs, China has joined Europe in categorically rejecting unilateralism and supporting global trade liberalization. Regarding the cooperation between China and Central and Eastern European countries, China has always remained open, transparent, and inclusive, and has never planned to divide Europe. It was right when the pandemic was making rounds of comeback, leaving the EU in dire logistics predicament, that the Trans-Eurasia Logistics, the fruit of China's cooperation with Central and Eastern Europe, played an irreplaceable role that benefited many countries in Europe.

China and Europe indeed adopt different political governance models and ideologies, but this is not an insurmountable obstacle to the development of relations between the two parties. The founding of the People's Republic of China in 1949 was recognized by many European countries, and so was the restoration of China's lawful seat in the United Nations in 1971. China and the EU have always maintained a relatively stable relationship that is continuously evolving. Since the establishment of diplomatic ties between China and the European Economic Community in 1975, the bilateral relations have also never been suspended due to differences in political governance models or ideologies. Sino-EU relations were once hailed as a cooperation model that transcends political governance

models and ideologies. Even though China and the EU have different views on human rights issues, the two sides have always made efforts to keep dialogue alive. Never have Sino-EU relations been halted or overshadowed by human rights issues.

While China is developing rapidly, its development has not harmed the interests of other countries. Instead, it has provided great opportunities. China is the best destination and the most profitable land to make money. European companies of all sizes have made a fortune in China over the past decades. It is China, the "mega market" that maintains the stability of European exports and, to a certain extent, safeguards employment and economic development in Europe. One will never be able to find another country that offers markets and opportunities to the world like China does.

We hope that the EU can adopt independent thinking and autonomous judgment in its policy toward China and handle its relations with China based on the EU's own interests and the merits of the matter, without being swayed by the stance of the United States. The EU should have confidence in itself. China has never treated the EU as its rival. Nor does it want the EU to treat it as a rival. The world does not need rivals, but more partners. China was, is, and will be a partner of the EU. Through extensive and in-depth dialogue and communication, China and the EU can eradicate doubts and misunderstandings, enhance understanding and mutual trust, and gradually warm up the frosty bilateral relations. As long as the EU's policy toward China is on the right track, more opportunities will present themselves in the Sino-EU relations.







#### On the Trend of China-EU Relations

In the current international context, there are three key factors working unfavorably for China to develop the relations with the EU. First, Joe Biden came to US power and called on the EU to team with the U.S. against China. Second, the dramatic resurgence of the pandemic has brought European economy to its lowest level after World War II. Third, the EU has started a public opinion war against China, concocting Xinjiang-related problems and origin of COVID-19. These factors have made China-EU relations more delicate, fluid and unpredictable. With proper approaches, China and EU may mitigate the tension. Otherwise, it will lead to a new situation, where China and EU are on the brink of a new cold war. But there is a slim chance that it will happen. China-EU relations will continue to develop with both cooperation and conflicts, for the following reasons.

### Firstly, Germany and France, two main powers in the EU have adopted rather clear policies towards China.

Germany will hold its general election in September this year, and France in April next year. The international dynamic for both general elections are rather clear: U.S.-EU relations show disagreements, while China-EU relations tend to be stable, and Sino-U.S. relations are prone to conflicts. In this context, Neither Germany nor France intends to join forces with the U.S. against China.

For Germany, Chancellor Angela Merkel has announced that she won't run in the 2021 general election. During her tenure, U.S.-German relations have remained at a low level, mainly because previous US Presidents, especially Donald Trump, adopted a condescending attitude towards Germany. Donald Trump and Angela Merkel were not on the same page. They had differences over a series of issues, such as the role



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of NATO, the attitude towards the Iran nuclear deal, cooperation with Russia, and attitudes towards China and international organizations.

The most prominent disagreement between Germany and the U.S. tends to be relations with China in the coming years. Germany has openly objected to two possibilities: a new cold war against China and economically decoupling with China. As a matter of fact, during its presidency of the EU by the end of 2020, Germany has helped complete the EU-China Comprehensive Agreement on Investment, which is a case in point. The remarks Angela Merkel made during her last visit to the U.S. before leaving office lies Germany's bottom line. Angela Merkel shared that she and Biden touched upon various facets about cooperation and competition with China, be it in the economic area, be it on climate protection, be it in the military sector and on security. It is clear that Germany will maintain cooperation with China in economy and climate protection, among other sectors. Its current policies towards the U.S. and China are in line with Germany's strategic interests, so the coming German federal election should not indicate a broader shift in Merkel's policies towards China.

For France, its Gaullist independent diplomacy still exists. Meanwhile, France is the most reluctant to follow the lead of U.S. within the EU. It has also realized that Western countries, including France itself and the U.S., become less powerful in the international society as China, India and other Asian countries are gaining strength. France and the EU need to build closer ties with Asian countries like China. While its relations with the U.S. are going downhill, France is building much stronger relations with China and Asian countries.

France tends to make a step forward and then half a step backward when it comes to foreign affairs, and the same is true in its relations with the U.S. and China. For example, France supports Germany on completing the Comprehensive Agreement on Investment, while it also accepts the demand of the U.S. for sending warships to the South China Sea. What can be clearly ascertained, however, is that France, like Germany, refuses to side with the U.S. against China, which can be further proved after its 2022 general election.

#### Secondly, future China-EU cooperation holds great prospects.

Germany and France obviously adopt a same attitude towards China. This message was clearly conveyed through the online summits held among Chinese, French and German leaders. The consensus reached at the summits is China and the EU have more common interests than conflicts, and China-EU cooperation is of global strategic significance. China shares same opinions with France and Germany and hopes to strengthen economic and trade ties, cooperation on climate protection,







multilateralism, and relations with African countries.

However, we have to realize that EU deems itself as an "ally" of the U.S. Meanwhile, the EU has its own specific interests in relations with China. Just as Josep Borrell, High Representative of the Union for Foreign and Security Policy and Vice-President of the European Commission said in an interview with the Spanish newspaper El País, "The EU will always be closer to Washington than to Beijing, we will always be closer to a country that has the same political system as ours, a market economy, a multiparty democracy with concurrence in elections, than a single-party country. Which is not to say that we have to systematically align ourselves with Washington's positions on Beijing. We need to find our own position." These words indicate that, however great the common interests between China and the EU are, China-EU relations can never match EU-U.S. alliance. But things are ever-evolving. Namely, foreign relations and interests are always shifting.

Overall, future China-EU relations could show following characteristics: first, both sides refuse to start a new cold war; second, both sides are clearly opposed to the US containment strategy towards China; and third, the bilateral economic and trade cooperation presents great prospects.

#### Thirdly, there are some disagreements between China and EU.

There is anti-China sentiment in the EU, which is mostly hyped by some multinational companies, especially some international financial firms and media. Such sentiment first reflects in the two conflicting political systems. The success of China's economic development has posed a threat to the democratic electoral systems and the laissez-faire capitalism of the Western countries. The democratic electoral systems were highly valued in Western public opinion as the only viable political model in the world. But today's political landscape has transformed. Due to the prolonged economic stagnation, the high unemployment rate, and the low-level living standards over 3 decades, European people have begun to doubt their own political and economic models. Meanwhile, Europe has witnessed one after another great success made by China, therefore facing considerable doubts about its political system. And that explains the anti-China sentiment of some multinational companies from Western countries.

Such sentiment is solely backed by current political and economic systems of Western countries. They would love to see such models rule the world. After the end of the colonial era, making major powers adopt democratic electoral systems is politically necessary for Western monopolies and financial firms to obtain interests around the world. Only in this way, can they control the elections and economic models of various countries through their global monopoly on political and economic power, and further protect their global interests through their local agents in different nations. We may say that

this is the most fundamental interests of international financial firms in Western countries. Therefore, China's successful unitary political system poses great threats to their strategic goals. Besides, the anti-China sentiment is also backed by some big firms within EU. They are somehow convinced that China is the sole beneficiary from the bilateral economic and trade exchanges, and demand China to make more compromises. Furthermore, media groups are controlled by big firms in EU. They are desperate to start a public opinion war to push China towards the democratic electoral systems. The public opinion war between the two sides has been on fire, with EU playing offense and China playing defense. Currently, the public opinion war mainly focuses on so-called Xingjiang-related issues and origin of COVID-19.

### Fourthly, China-EU relations will not feature major conflicts and confrontations going forward.

There are three major conflicts in the world today. Namely, conflicts between China and the U.S.; conflicts where Christian countries and Jewish communities are against Islamic countries; conflicts between industrial companies and multinational financial firms in Western countries. Among above conflicts, multinational financial firms are the key. The recent outbreak of Israeli-Palestinian conflict, the conflicts between China and the U.S., and the conflicts between the then US President Trump and his Democrat challenger Joe Biden are all involved with multinational financial firms.

However, the major obstacle faced by multinational monopolies and international financial firms that currently dominate the EU is not China, but the far-right political forces within the U.S. and the EU. If the EU countries fail to restore their economic momentum in the coming years, their internal conflicts will inevitably worsen, and the society will thus suffer from instability.

China should keep a close eye on the development of the conflicts between the two types of syndicates in the Western countries. The forces against the international financial firms are rising rapidly within western countries, and their internal turmoils seem to be inevitable. The EU and the U.S. will join forces against China merely to dominate public opinions.

China should straighten out the truth to European people by pointing out that both origin of COVID-19 and so-called Xinjiang-related issues are fake news deliberately concocted by the U.S. They aim to provoke conflicts between China and the rest of the world, and drive a wedge between China and the Islamic world. Should China make the truth clear to European people, China would reach a consensus with the EU to jointly stand up against the challenges posed by the COVID-19 pandemic and the subsequent economic downturn.







## Keynote Speeches at the Sub-session on Economy and Technology

### How We Use AI to Achieve Carbon Neutrality and Address Ethical and Legal Issues in AI Evolution

At the 75th UN General Assembly, Chinese President Xi Jinping made a solemn commitment to the international community that China would do its best to peak its carbon dioxide emission by 2030 and to achieve carbon neutrality by 2060. The goal of carbon neutrality requires us to cut carbon dioxide emission and improve carbon absorption. That's where emerging technologies such as artificial intelligence (AI) come into their own. In particular, AI proves a boon to industrial production, as it can solve thorny issues such as quality inspection, sorting, safety, logistics, and warehousing, thus optimizing the production process, saving energy, cutting carbon emissions, reducing cost, and boosting efficiency.

The 5th Plenary Session of the 19th CPC Central Committee defined AI as a prospective and strategic national science and technology project. As President Xi puts it, the next-generation AI is thriving around the world and bringing new momentum to economic and social growth. Currently, China's next-generation AI is deeply integrated into its real economy and has been widely applied in social services. AI spurs innovation and social progress and has



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become a new economic growth driver. China's burgeoning infrastructure such as mobile base stations, optical cables and Internet access ports, as well as massive data and huge market demand arising from China's large population, has provided sustained momentum for widespread application and in-depth development of AI, making the country among the first echelon in the world.

Despite opportunities it has brought, Al also spawns security risks.

First, illegal cross-border circulation of data may jeopardize national security and sovereignty. Second, excessive collection and illegal use of data infringe the rights and privacy of citizens. Third, preference matching algorithms exacerbate prejudice and discrimination in society, which undermines fairness and justice. Fourth, it is difficult for deep learning to comprehend human nature and morality. Intelligent decisions in fields such as autonomous driving and emergency avoidance may threaten the safety of specific groups of people. Fifth, over-reliance on intelligent products arising from our work, life, and emotional needs may undercut social ethics.

This is not only a technical issue, but also a security issue. It also involves major issues such as social ethics, laws and international rules. According to President Xi, analysis and prevention of risks should be strengthened during AI development to safeguard people's benefits and national security, and make AI secure, reliable, and controllable; research on AI-related legal and ethical issues should be intensified to establish laws, regulations systems, and ethic frameworks in favor of healthy AI development.

The CPC Central Committee, State Council, research departments, and enterprises attach great importance to scientific and technological ethics and legal issues related to Al. They have been exploring and have worked out some practicable laws and regulations. The Chinese People's Political Consultative Conference also stresses Al development. In 2020, it paid study visits to Anhui, Jiangsu, and Beijing to seek solutions to scientific ethics and legal issues related to Al. Wang Yang, a member of the Standing Committee of the Political Bureau of the CPC Central Committee and Chairman of Chinese People's Political Consultative Conference, presided over a bi-weekly forum where CPPCC members compared notes with officials from relevant authorities.

To make the best of AI in peaking carbon dioxide emission and achieving carbon neutrality, we must attach great importance to ethical and legal issues related to AI. At present, our AI industry is still in a fledging period, but productivity, relations of production, and production methods are being reshaped. Regardless of whether a strong AI era or a super AI era is coming or not, traditional production methods, lifestyles, and social rules will definitely be changed or even revolutionized.







Therefore, it is necessary to predict and study potential risks and build a risk management framework with ethics and laws to ensure sustainable, healthy, and safe AI evolution. At a time when China is undergoing the profound changes unseen in a century and striding toward the great rejuvenation of the Chinese nation, we should give full play to our AI strengths, take the initiative in formulating international rules for AI governance, and seek greater global influence. This is a key subject in enhancing China's global competitiveness. It is also an important way for China to participate in the reform and construction of a global governance system, especially to promote global environment protection, and peak carbon dioxide emission and achieve carbon neutrality.

First of all, it is necessary to analyze ethical and legal issues during AI evolution from a historical, dialectical, and comprehensive perspective. The history of humanity is also a history of progress in science and technology. Science and technology are creative revolutionary and groundbreaking. They not only reshape social productivity and relations of production but also reconstruct people's lifestyles and ethical and legal frameworks. Any major technological innovation and widespread application will bring varying degrees of impact and challenges to existing society, ethics, laws, and order.

In the past, Copernicus's On the Revolutions of the Heavenly Bodies and Darwin's Theory of Biological Evolutionism both challenged the ethics and legal orders at that time. Human society is constantly advancing in the unity of opposites and mutual conversion of technological innovation and ethics, laws, and regulations and growing spirally amid repeated balancing and conflicting of the two.

The progress of civilization will constantly promote the development and change of ethics and laws. The topic of whether to deal with the current ethical and legal challenges brought by AI following the current values, or adjust and reconstruct them in line with the ever-changing AI industry and society, such as carbon dioxide emission peaking and carbon neutrality, brings new objectives and requirements for China's AI development.

Second, it is necessary to chart a course for AI development from the perspective of national development strategies, and match AI with China's innovation-driven growth, especially in high-end manufacturing, energy-saving resources and environmental protection industries, thus making the best use of AI to promote carbon dioxide emission peaking and carbon neutrality.

Third, we should strike a balance between development and security. We should promote development and standardization to build risk governance and rule governance frameworks based on multi-department collaboration, multi-disciplinary integration, and multi-party participation. We should focus on the current research framework and work system and underline wealth distribution

issues such as the "digital divide" and "wealth gap" spawned by AI dividend, as well as employment problems that may be caused by AI. It is necessary to utilize new jobs and new ways of work created by sectors related to carbon dioxide emission peaking and carbon neutrality, so as to promote common prosperity.

Fourth, we should promote "Tech for Good." We must establish ethical standards and moral bottom lines among scientific researchers to advocate the good, prevent the evil, do good deeds, protect the environment, so as to leave behind a better world for our future generations. We must address political and social risks caused by deep learning-based forgery, which could jeopardize the national security and international security and breed a large number of criminal cases caused by theft of personal information. Telecom fraud is now rampant around the world. In some places, such cases even account for about half of local criminal cases. Data poisoning could cripple Al-based systems and undermine public security, including health and medical safety, traffic safety, and environmental protection. We must legislate for data rights confirmation, data security, and algorithm security check, so as to form correct values and stable social expectations and provide strong support for Al development.

Fifth, we should build AI ethics and legal frameworks. We must adhere to the people-centric philosophy during AI development. AI must serve the people and aim to achieve common prosperity. We must adhere to President Xi's doctrine of "stay true to the original aspiration and the founding mission" to improve Chinese people's livelihood and solve their top concerns without compromising the ecological environment, people's health, safety and wealth, and legitimate rights and interests of consumers. AI should not serve as a tool for avaricious capitalists to seek illegitimate benefits. AI players should not monopolize data, algorithms, and computing power.

We should promote research on data property rights, standardize data ownership, usage transaction, and sharing systems, and address issues such as data ownership and usufruct, so as to safeguard the fundamental interests of the people, and make the wealth created by AI sharable in society. This is an integral part of the fundamental nature of our socialist system.

Sixth, we need to play our role in formulating international rules for Al-related ethics and legal frameworks. We must figure out our own system for Al-related ethics and laws with Chinese characteristics. This is a time when we are experiencing the profound changes unseen in a century and marching toward the great rejuvenation of the Chinese nation. We must take the initiative and build up our influence in the formulation of international rules based on China's current status and first-mover advantage, so as to contribute Chinese wisdom and Chinese solutions to new rules, new orders, and







new landscapes, contribute China's strength and efficiency to global carbon dioxide emission peaking and carbon neutrality, and ensure the healthy and safe progress of the human community with a shared future as advocated by President Xi.

### Achieve Carbon Neutrality to Drive Sustainable Development of Human Society

Climate protection and the fight against climate change and its effects are one of the Sustainable Development Goals of the United Nations. We must implement this sustainability goal in all of our systems, in our economic structures, our technological objectives, but also in our social awareness. We need a transformation of our entire life and business into a sustainable and ecological society.

The goals are ambitious: Germany wants to achieve the carbon neutrality by 2045, China by 2060. That is less time than it seems at first glance. The first milestone on this path has already been reached: all responsible governments in the world have recognized the need to reduce carbon emissions and, at the end, to reach carbon neutrality. The Paris Agreement on Climate Change is an important expression of this common will. The second milestone must now be passed in a global context: we must implement the goals of carbon neutrality in the market economy system.

In the past, you could pollute the environment without paying for it. In the end, everybody pays the price for the effects in the form of environmental disasters. This principle must end. Anyone who pollutes the environment should pay for it so that the consequences can be eliminated immediately. Both Germany and China are making first attempts to combine this carbon pricing with a trading system. In Europe, they have introduced an emissions trading system that affects industrial production. In addition, Germany has also introduced a system at the national level that is



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particularly aimed at the areas of buildings and traffic. A market price should then develop from 2027.

In China, cities and provinces started pilot projects many years ago. Now the start has also taken place at the national level. Starting with power generation companies, other branches of industry are to be gradually included. If China introduces this system worldwide, there can be no evasive reactions in other countries, and we will gradually come to fair competition worldwide for the best solutions.

Developing technological solutions is crucial for pushing forward the third step of climate action. Digitization plays a central role in energy saving, production of energy from renewable energy sources, storage and transport of renewable energy, and the intelligent networking between energy generation and energy use.

Last but not least, it is important that the international experts with their different perspectives to exchange ideas and work together on solutions, which is also a goal of the Taihe Civilizations Forum.

# Contributing to a Community with a Shared Future for Mankind: China's Efforts to Reach Peak Carbon Emissions and Achieve Carbon Neutrality

China has recently pledged to peak carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060. As we all know, every commitment made by the Chinese government is a well considered one. And we have never failed to fulfill our international obligations. Therefore, the Chinese government is bound to deliver on the commitment. The Chinese government will undoubtedly introduce a number of policies and take multiple measures.

Why does China strive to attain these two goals? With its rapid development, especially the fast industrialization, China has become the world's largest emitter of carbon dioxide by far. Our carbon dioxide emissions are proportionate to our pace of industrialization and urbanization. However, China's carbon dioxide emissions per capita are far below those of developed economies led by the U.S. and Western Europe, as we have a total population of 1.4 billion. They have high emissions per capita because they have a much smaller population than us.

From another perspective, why are carbon emissions a primary driver of climate change? That's because carbon emissions are an accumulation process. All these developed countries used to be industrial powers. During their industrialization process, they had emitted a tremendous amount of carbon dioxide. Therefore, the



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historical emissions of these countries, including the U.S. and even Japan, are significantly higher than ours.

However, it is incumbent on China to address the global challenge of climate change. Over the past few years, we have been faced with various natural disasters resulted from climate change. This year is a case in point. Rainstorms and floods have ripped through many cities across the country, causing enormous loss to life and property. The U.S. was likewise stricken by droughts, famines, and even volcanic eruptions. Some big forests were burnt down. These are all abnormal phenomena caused by climate change. To prevent these disasters, we are duty-bound to reduce our carbon dioxide emissions.

There are two major approaches to carbon dioxide emission reduction. The first approach is technology upgrading and revolution. There are many technological means. For example, how a city manages its energy use. During China's urbanization, people are swarming into big cities, where there are more contributors to carbon dioxide emissions. Urban transportation is the biggest contributor. As most of our vehicles on the road are powered by fossil fuels like gasoline and diesel, a great amount of carbon dioxide is released during the burning of the fuels.

Therefore, to fulfill its commitment, China has taken many measures to encourage the use of new-energy vehicles. For example, many Chinese cities are phasing out diesel-powered buses and phasing in electric versions. Many citizens have replaced their gasoline-powered cars with electric cars. This represents a general trend, as it will help a lot in carbon dioxide emission reduction in China.

In fact, both the 12th Five-Year Plan and the 13th Five-Year Plan have set requirements on carbon dioxide emission reduction for the nation. China has made remarkable achievements while pursuing these goals.

The second approach to emission reduction is education. We need to keep instilling the value of emission reduction into the public and encourage them to lead a green lifestyle. This is a big project, because China has a big population. If every citizen can pull their weight and cut their carbon footprint, such as using zero-emission public transportation instead of private cars, then there will be less and less carbon dioxide emissions in every Chinese city.

Recently, we have made great breakthroughs in science and technology. China has become the largest renewable energy producer. We have also been providing other countries and regions in the world with various renewable energy production tools. For example, we are the world's biggest exporter of

solar panels, wind turbine motors, and wind turbine blades. This is how we help other countries to develop their renewable energy.

In energy technologies, the controlled nuclear fusion technology China is developing is expected to be the most advanced technology in the world. China has made great breakthroughs in such technology and it is likely to be commercialized in the 2030s, or no later than 2040. The materials for nuclear fusion are extracted from the sea, where resources are inexhaustible. Furthermore, no carbon dioxide will be released during nuclear fusion. Therefore, the technology is very safe and environmentally friendly. Once this technology is here to stay, the history of wrestling with energy shortage will be gone forever.

The last point of view I want to share is that China is a big power in industrial manufacturing, which is a major source of carbon dioxide emissions. China is also striving to reduce carbon dioxide emissions in this aspect. For example, in the steelmaking process, carbon monoxide can be replaced with hydrogen, which can make steel harder, while avoiding generating carbon dioxide. On this journey, we still have a long way to go, but China has its full potential to make a splash.

China is technologically capable of cutting carbon dioxide emissions substantively and is confident in peaking carbon dioxide emissions before 2030 as well as achieving carbon neutrality before 2060. By then, China will be able to contribute more to building a community with a shared future for humanity. We hope that other countries can join our efforts to prevent climate change from undermining the world's future and threatening the harmony between human and nature.







## Colombia's Experience in and Initiatives on Digital Technology and Climate Action

As the development of new technologies take a more relevant roll in the world, Colombia has been on the buildout of its National Policy for Digital Transformation since 2018. Our policies aim to enhance social and economic value through digital technologies in both private and public sector, to drive productivity, sustainable growth and bring benefits to our people.

We have set forward three specific national objectives towards this endeavor.

First, decrease the barriers hindering the inclusion of digital technologies, such as culture, unawareness, adjustment of regulations and strengthen the performance of digital governance and business.

Second, create better conditions for innovation through international alliances to connect ecosystems, design funding programs to stimulate entrepreneurship, development of information technology, procurement systems and public services provision.

Lastly, we are strengthening the capacities of our human capital from the early stages of education, prioritizing new technologies with emphasis on Stem Plus Arts Disciplines, to maximize the output of present and future scientific, industrial, and academic communities.

One major example of the advancements made by my country in this sector would be the city of Medellin, my hometown, which has been



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appointed as the sole Latin-American regional Centre for the Fourth Industrial Revolution, affiliated to the World Economic Forum.

Medellin is working proactively with prioritized technologies, such as Data Science, Block Chain, Al and IoT to earn its credentials as a Smart City, and the Centre, entails the city to undertake four larger pursuits:

First, boost the transition in Latin-America towards an economy based on data to improve competitiveness and become a relevant global player.

Second, promote the digital transformation and the implementation of emergent technologies to enhance productivity levels in SMEs.

Third, position Colombia as a reference nation in Agriculture 4.0 using data in crops and supply chains aiming to a sustainable and clean development in the region.

Finally, lead the development, and implementation of ethical and regulatory frameworks for the responsible use of new technologies.

Additionally, our "National Development Plan" aims to build a society based on knowledge by 2030; a society in which science and technology are tools for solving the country's problems, in a joint effort between the State, the private sector, the scientific community and the public. National investment in science, technology and innovation went from 0.67% to 1.5% in GDP during last year, which has shown a transformation of the country's development model, where Colombian society increasingly engages in an ever more digital and inclusive economy.

Thanks to this developments, Colombia's profile as a country that is preparing for a modern and digitalized world, can find plenty of synergies for cooperation with China as it is a country with innovation acting as its core principle for economic and social development. We are also aware of China's progress towards becoming an AI powerhouse by 2030, and the country's plan to become the global tech and science leader by 2050, so we are looking forward to working hand in hand in policy and good practices exchange for data science, data governance and data diversification, digital economy, machine learning and IoT applied to rural and urban development. We also welcome AI technology knowledge transfer, through investment in our manufacturing and other productive sectors and, of course, to enhance our sustainable and green development for the protection of ours and future generations' wellbeing.







About the work Colombia is doing in Climate Change, a topic so close to the purpose of this Forum's objective as it is fundamental for the "harmonious development of common values and the advancement of human civilization." Climate action is a priority for Colombia. As we know 2020 was one of the warmest years on record, yet the NDCs, adaptation, mitigation, and multiple finance reports, show that much more work is necessary to keep 1.5 degrees within reach.

In December 2020, we communicated our updated and enhanced NDC (Nationally Determined Contribution); and under the Paris Agreement, we committed to a 51% Greenhouse Gas Emission reduction for 2030 and included a goal for black carbon. This is a technically solid decision that aims for the maximum ambition but also for feasible goals that put us on the right path to achieve carbon neutrality in 2050.

These commitments will require an enormous effort related to means of implementation, both financially, in capacity building and technology, in a time where Colombia has been hardly hit by the COVID-19 pandemic and the economic consequences that came with it. We are consolidating our work in areas where technology has a notable impact, such as conservation of the environment, energy transition, electric mobility, nature-based solutions, sustainable agriculture, among others.

We believe that we need to accelerate, and streamline works towards COP26 in Glasgow and of course COP15 in Kunming. We aim for substantial outcomes on both these meetings, and we assign the highest importance to issues like transparency, adaptation, loss and damages, climate finance, and the adoption of an ambitious Global Framework for Biodiversity protection and conservation.

In terms of our bilateral ties with China and considering that both countries are among the most biodiverse in the world, it is our interest to explore working on agenda that goes beyond this year's COP meetings. We have the intention to work hand in hand to position the vision of developing countries on the planet during the negotiations of the global framework for biodiversity and climate change; and we also believe that the mobilization of financial resources is an issue of common interest that could be strengthened with other developing countries.

Technology, climate change and economics are intricately related and are inseparable in the balance that need to be achieved sooner than later for innovation and clean means of production to guarantee this and future generations a sustainable way of life. We live in an era of great opportunity, but also great challenges. While we explore the advantages of the new industries, we should consider its effects in the pursuit of equality, the capacity to adapt our societies around them and the role of the government as both user and regulator of technologies.

### Optimize China's Industrial Structure to Help Achieve Low-Carbon Transformation

Currently, China's industrial structure is still dominated by a carbon-intensive model, but in the future, it is bound to be transformed and adjusted to a low-carbon or zero-carbon model, which is consistent with the essence and vision of achieving high-quality development. Reaching the goals of carbon peak and neutrality requires complex and systematic coordination. In this regard, I would like to share the following views:

First, strategic control at the macro level is essential. We have already started to navigate the relationship between resources, ecology, environmental protection, energy, and development. Carbon peak and neutrality goals emerge as a new trend and a relatively impactful variable of development. Concerted efforts from all sides are needed to figure out how we can integrate these goals into the macro-level controls. The macroscopic strategic evaluation should include carbon as a determining factor, with corresponding means at the mesoscopic level and specific carbon reduction actions at the microscopic level.

Second, a new mechanism is required to guarantee the fulfillment of responsibilities. Previous efforts were focused on reducing emissions by increasing energy efficiency and establishing low-carbon pilot programs. Now major adjustment is needed to the overall planning and path of industrial development, which gives rise to new responsibilities and requirements. The central government has made it clear that the progress of reaching carbon



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intensity targets should be evaluated faithfully, and the assessment of total emissions indicators acts as a supplementary means. Meanwhile, corresponding evaluations are expected to shift their focus from carbon intensity indicators to total emissions indicators, which serves the need to achieve the carbon peak goal. The time to peak carbon dioxide emissions and the total volume of carbon peak require the corresponding adjustment in the responsibility system from intensity-oriented to volume-oriented with seamless integration of responsibility fulfillment and inspection.

Third, establish and optimize market mechanisms. After the carbon peak and neutrality goals were proposed, two major policies have been swiftly announced and implemented. The first one involves climate-related investment. Transforming from a carbon-intensive model to a low-carbon one requires capital investment. Therefore, financial resources and financial power should be leveraged to attract more social capital to the movement of reaching carbon peak and neutrality goals, and more effective financial products and service innovations are needed to drive momentum. The other one is about building a carbon trading system. The project will be steadily rolled out starting from pilot areas in seven provinces with some restrictions on the scope of industries and enterprises. Meanwhile, there is still a lot of room for improvement in terms of trading rules, system capacity building, and effectiveness. In addition, we need to pay attention to some other market-based instruments such as prices, taxes, and pricing policies. The current carbon pricing calls for further innovations. One of the examples is innovative subsidies, which can be included in policies as a powerful tool to boost participation. Therefore, we should incorporate carbon peak and neutrality goals into further adjustment to subsidies, including the addition of carbon sink compensation.

Fourth, provide basic support such as legislation and standards making. For promoting industrial transformation, legislation and standards are fundamental. For instance, we need to conduct relevant research before drafting and introducing the law on promoting carbon neutrality. Also, the existing standards need to be improved in respects including supervision and regulation, verification, and

synergistic reduction of air pollutants and carbon emissions.

Fifth, strengthen the regulations and offer more paired assistance. To start with, the implementation of requirements, means, and responsibilities in all respects requires regulations. We need to rapidly overcome shortcomings concerning the regulatory capacity and then strengthen its advantages through various methods including the application of new regulatory tools. Also, many departments and local officials are not so clear about how to complete the low-carbon industrial transformation. Consequently, we need to offer more guidance and paired assistance to help these departments, industries, and enterprises figure out what they should do.

Sixth, strengthen technological innovation. Technology plays a critical role in the industrial transformation from a carbon-intensive model to a low-carbon or zero-carbon one. In-depth exploration is required to pinpoint the specific technical innovations, breakthroughs, and support needed. Currently, the construction of the whole technology system is inadequate, leaving some technologies idle, so there is still ample room for improvement. We need to make scientific assessments to map the situation and devise a technology roadmap, technology paths, and technology systems. To these matters, scientific research will be conducted using scientific methods to provide answers.







#### **Intelligent Decarbonization**

Currently, we live through periods of hardship and relief from the global pandemic, and extreme heatwaves and floods have made the public more convinced of the relation between extreme weather and climate change.

This year started with a sense of optimism about global climate collaboration and coordination. Just a few weeks ago, the G20 finance ministers have recognized for the first time that "carbon pricing" as a potential tool to address climate change.

Promoting such strong economic incentive must be seen against the backdrop of the United States just rejoining the Paris Agreement with newly defined carbon reduction targets and green investment plans. For this year, we still have in front of us the COP15 on biodiversity in Kunming, the COP26 in Glasgow, and the G20 Leaders' meeting in Rome.

The recent fires and floods raise the stakes at those back-to-back meetings in more rapidly translating carbon peaking and carbon zero pledges into national and regional mechanisms and laws that could also inform the reform of the World Trade Organization, accelerate the energy transition, and support a more rapid transition to an economy aligned with the Paris Agreement and the Sustainable Development Goals (SDGs).

Europe's Green Deal is the most advanced in terms of carbon pricing instruments and interventions, including: The Emissions Trading Scheme (ETS), which is the most advanced trading system in the world; the green finance frameworks with a common taxonomy and



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the Sustainable Finance Disclosure Regulation (SFDR) to disclose so called ESG risks; and the Carbon Border Adjustment Mechanism (CBAM). While the U.S. is catching up with Europe and China, there has been substantial collaboration between the EU and China in the past: The EU and Germany have supported China in establishing China's own national Emission Trading System, which was finally launched on July 16, 2021, and now is the largest carbon market in the world.

Secondly, the People's Bank of China collaborates with the EU on green finance to adopt a common green taxonomy to reorient capital flows and support achieving China's 30/60 peaking/neutrality goal. Regarding Europe's Sustainable Finance Disclosure Regulation (SFDR); China's financial market participants are also trying to adapt ESG indicators to their local context; and the government seeks to standardized disclosure.

Thirdly, the EU-China Comprehensive Investment Agreement (CAI) is on hold but has a provision on investment and environment, which could impact the incentive structure. Those achievements are based on the EU-China Partnership on Climate Change, which already started in 2005, and which runs alongside national level cooperation, like the Sino-German environment forum, which I could attend myself in the past.

Regarding Europe's Carbon Border Adjustment Mechanism (CBAM), there has been a push back internationally from both sides, the U.S. and China. From 2023, CBAM will impose levies on the carbon footprint of imported goods to prevent carbon leakage. While this could be a Brussels moment within Europe, outside Europe it's also perceived as a potential trade barrier and protectionist measure, which could provoke counter measures without reducing any emissions. As a consequence, China urges the EU to link the Border Adjustment Mechanism (CBAM) to the Emissions Trading System (ETS) and exempt China's economy to avoid a double burden for Chinese businesses. However, given the significant differences between Europe's and China's carbon market schemes, great efforts still need to be done to link both systems and ensure fairness. Thus, ongoing collaboration and coordination remains essential to identifying commonalities, acknowledge differences, and reduce those differences over time.

There is much more to be done in terms of technology. Scientists must look at the multiple and interrelated drivers of the current storms, fires, floods, and more generally, into carbon reduction and geo-engineering technologies, including carbon capture/storage, plant based geological carbon sinks, or decarbonization based on intelligent cyber-physical systems. For example, less than 1% of scientific papers on artificial intelligence/Machine Learning (ML) address SDGs, thus including the mitigation of climate change.







Instead of having an over-reliance on technology and markets as we did in the past, we should not take the focus off nationally and internationally coordinated political action. On the contrary, primarily through governance and political intervention can we change incentive structures that make possible a global circular economy. In fact, we are already experiencing, as the Financial Times just called it, a "renaissance for industrial policy." After three decades when most governments were content to leave economic changes to the market's invisible hand, politicians of all stripes have become convinced of the need for a stronger political steer on growth. Thus, it seems that competing systems are somehow converging more than we probably admit.

To finish my talk, it seems that is has become highly unlikely to remain within the 1.5-degree global warming scenario. More immediate cuts to Greenhouse Gas (GHG) emissions and more radical interventions might become inevitable. Still, those must be done in socially just ways and recognize the different stages of economic development. In large parts, China still is a developing country, but China needs to continue playing a role model for the Global South. Once, China even overtakes Europe in terms of coordinated climate action, we can certainly be surer to have mitigated the greatest human self-made risk.

## Proactively Adopting Multiple Approaches to Promote Carbon Finance

Climate change has caught the eyes and ears of governments and people around the world. China is promoting carbon finance as a responsible way to address the global challenge. However, China's energy mix and economic realities have posed a headwind.

First, China is developing at breakneck speed, which keeps energy in high demand. Putting a cap on carbon emissions now is as good as slamming the brakes on our economy. Second, China is rich in coal, but poor in oil and natural gas. However, to control greenhouse gas emissions, we need to cut back on coal. And our energy mix doesn't help. So instead of getting caught in the environment-growth dilemma, we need to take the initiative and promote carbon finance.

Carbon finance, as we call it, is a general term applied to a wide range of financial tools for controlling greenhouse gas emissions, including investment, credit, bond, leasing, insurance and fund. Since carbon finance encompasses more than one tool, we need to think ahead and look for the optimal combinations of these tools. Furthermore, carbon finance needs to line up with industrial and fiscal policies, economic and energy restructuring, rural vitalization and conservation strategies, and the Belt and Road Initiative.

Speaking of carbon finance, there's one thing we can't get around, that is, to limit the use of coal. In developed countries like the UK, controls over carbon and coal use have led to a 10% drop in emissions. China can take a page from their playbook while digging



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into the low-carbon war chests at home and abroad.

In order to fuel China's development with enough energy, we should step up efforts to look for oil or natural gas abroad to make up for domestic shortages. I suggest we establish a global energy fund which balances the interests of all countries, especially the energy resource-rich ones. Such a fund will facilitate the development of overseas oil and gas fields, and help offset energy shortages following the controls over coal use.

Of course, China should continue to issue credit, bond, and other policies in favor of green companies. When it comes to carbon finance policies, we need to enhance financial support for the companies that participate in energy conservation and emission reduction. Meanwhile, besides industrial and energy restructuring, we should also take rural vitalization into account, for it is crucial to carbon sink. Our financial policies, therefore, need to bring into full play our investment, credit, bond, leasing and insurance tools. For example, fund money can be directed to companies seeking green restructuring.

In conclusion, aligning financial policies with fiscal and industrial ones is the key to promoting carbon finance.

### Innovative Low-Carbon Technologies Are Urgently Needed

I want to start my speech with a simple yet intriguing question: "What is more important than good and clean air?" We have witnessed unprecedented progress in every field, which has raised the living standards of humankind by many folds. Technological revolutions have increased the world's wealth to a once-unimaginable level but at the cost of accelerating climate change and ecological devastation. The overall temperature of the world is gradually increasing and can inflict devastation on a large scale.

In order to control global warming to the recommended Paris Agreement of 1.5 and 2.0 degrees Celsius, the world's greenhouse gas (GHG) emissions must decline to net-zero by 2050 and become negative in the second half of this century. To achieve this target, we need to work together, and this requires a rapid and systemic transformation of the energy sector, starting with energy conservation and efficiency and the progressive replacement of fossil fuels with renewable energy.

The developed countries in the North, which have produced the bulk of global greenhouse gas emissions, are now working extensively to mitigate the emissions. Almost all economic activities have one thing in common: they require energy. Then, it should come as no surprise that approximately 73 % of global greenhouse gas (GHG) emissions in 2020 are attributable to energy-based activities.

During the last decade or so, climate change mitigation has emerged as an issue of intense public discourse. At the same time, mitigation



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in developing countries can only succeed if it is accompanied by economic and social development. My country Somalia and many developing countries have a wealth of renewable energy sources such as sun, wind, geothermal, and hydropower that present new horizons of opportunity for social and economic development while fostering energy.

For most of the last 200 years, the steady growth in energy consumption has been closely tied to rising levels of prosperity and economic opportunity in much of the world. However, humanity now finds itself confronting an enormous energy challenge.

Developing and emerging economies face thus a two-fold energy challenge in the 21st century: Meeting the needs of billions of people who still lack access to essential, modern energy services while simultaneously participating in a global transition to clean, low-carbon energy systems.

According to the World Bank, technological capabilities in developing countries are improving slowly. Containing global warming to 1.5 degrees is technically feasible with existing low-carbon technology—but only if deployed on a massive scale to developing countries.

Technology transfer and innovation for low carbon development observe that low-carbon technology costs are decreasing while investment, trade, and innovation in this sector are rising. However, the benefits of that progress have primarily eluded the world's poorest countries, which play a minuscule role in low-carbon technology markets as buyers, sellers, or innovators—despite being the most vulnerable to extreme weather events, flooding, damage to infrastructure, and habitat loss.

A host of technological advancements and cost-cutting methods have enabled many countries to ramp up their renewable energy production over the past decade.

The largest renewable energy producers are China, the USA, Brazil, India, and Germany. Technological advancement has made them able to generate power in various conditions such as low wind, and wind turbine companies are rolling out new designs with increased capacity, while there has been much innovation in solar panel technology.

It gives me so much hope and joy that the world's most advanced countries are now using the latest technologies and spending billions to achieve carbon neutrality in the coming decades. The host country, China, is again leading the way as it hopes to peak its carbon emissions by 2030 and will release more complete reduction plans soon with an ambitious goal of reaching carbon neutrality by 2060.

Technological change on a massive scale will be needed to achieve significant reductions in global greenhouse gas emissions and develop sustainable green energy.

The four general strategies adopted to transform the energy system of a country or region are:

Reduce the demands for energy in all significant sectors of the economy (buildings, transportation, and industry), thus reducing the demand for fossil fuels.

Improve the efficiency of energy utilization so that less fossil fuel is required to meet "end-use" energy demands, resulting in lower CO2 emissions.

Replace high-carbon fossil fuels such as coal and oil with lower-carbon or zero-carbon alternatives such as natural gas, nuclear, and renewable energy sources such as biomass, wind, and solar.

Capture and sequester the CO2 emitted by the combustion of fossil fuels to prevent its release into the atmosphere.

In the end, I would like to conclude my speech with some essential points.

The international climate architecture should be strengthened to favor the least-developed countries.

The most developed countries should lead the way and collaborate to provide a platform for global decision-makers, stakeholders, scientists, and engineers to share their outstanding research and exchange their inspiring ideas to make this world secure for our future generations.

Create demand for low carbon technology products and encourage innovation through domestic policies such as subsidies, public procurement, and financing.

Technology innovations to reduce greenhouse gas emissions will also require increased numbers of skilled workers, especially engineers and scientists in a wide variety of disciplines for which prominent educational institutes should lead the way.

I am grateful to Taihe Institute for inviting me to the 5th Taihe Civilizations Forum and provided me the opportunity to share my views on these critical issues.







# Opportunities and Challenges for China's Development: Reaching Peak Carbon Emissions and Achieving Carbon Neutrality

On September 22nd last year, China announced its strategic goal to the world to peak carbon emissions by 2030 and achieve carbon neutrality by 2060. It's a realistic and yet long-term goal that will thoroughly transform the economy and energy system of China and the lifestyle of its people.

My speech today is divided into three parts: the origin of carbon peak and neutrality, the background of China's carbon peak and neutrality policy, and the approach to achieving our carbon peak and neutrality goals.

Carbon peak and neutrality is an ultimate goal of the world to address climate change. Actually, the UNFCCC, which was signed in 1992, had set a goal to limit global warming well below 2°C by the end of the 21st century, that is, the global temperature in 2100 will be at most 2°C higher than in 1760.

Later, as global warming worsens, the Paris Agreement called on all countries to keep the global temperature change to well below 2°C and to pursue efforts to limit it to 1.5°C. The Agreement also aimed to achieve carbon peak and neutrality by mid-century or latecentury, 30 to 50 years ahead of the carbon neutrality schedule set in the UNFCCC. The goal cannot do without a global effort.

As President Xi Jinping said at the General Debate of the 75th



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session of the UN General Assembly, the Paris Agreement 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, and all countries should take decisive steps to honor this Agreement. China is no exception. This is China's commitment to the world. As President Xi put it, China's carbon peak and neutrality decision was made by the CPC Central Committee after thorough consideration. Back in 1990, China had made extensive, in-depth research.

During 1992-1994, while studying China's future greenhouse gas emission control strategies, the NDRC and then State Environmental Protection Administration proposed to improve energy efficiency, develop renewable energy and increase forest carbon sinks to tackle climate change. The Chinese government enacted the Energy Conservation Law in 1998, and promulgated the Renewable Energy Law in 2005. They have laid a solid foundation for our subsequent efforts to address climate change. Since 2006, China has exerted dual controls on total energy consumption and energy intensity. In 2011, China started to control the intensity of carbon emissions, decoupling the total energy consumption from the total carbon emissions.

In 2012, China saw a downward trend of carbon emissions, paving the way for the subsequent carbon peak and carbon neutrality goals. Particularly, we are leading the world in terms of renewable energy development, especially in wind and solar power. By 2020, China had installed over 250 million kilowatts of both wind and solar power capacity, with a total capacity approaching 600 million kilowatts. It lays an important foundation for China to build the next-generation power system. So China's carbon peak and neutrality goals are well-considered and have an objective basis.

Let's see whether carbon peak and neutrality is an opportunity or a challenge to China. As we know, developed countries have already peaked their carbon emissions in the 1970s or 1980s. They are expected to achieve carbon neutrality around 2050. Namely, they have 50 to 70 years to achieve carbon neutrality. However, as a developing country, China still sees increasing carbon dioxide emissions. We pledge to peak carbon emissions by 2030, which means that China must transform its development model, energy system, and even its people' lifestyle. Only in this way can China achieve the daunting goal of carbon neutrality. While moving toward the goal, we must carefully analyze what is standing in our way or what challenges we are facing. In my opinion, China faces three major problems.

First, a coal-based energy system. Coal remains China's dominant energy source. It once accounted for more than 70% of China's energy supply. Despite our persistent efforts, its percentage is still above 60%, almost 50 percent higher than the global average. So China must prioritize the energy system







#### transformation.

Second, during our industrialization process, China has introduced enormous outdated production capacity transferred from developed countries. In particular, iron and steel, cement, and chemical industries take up a large share in our industry structure. In other words, developed countries rely on tertiary industries, while China relies more on secondary industries, especially the chemical industry. China is dominated by the heavy industry.

The third problem is the low utilization efficiency of energy and resources. Still a developing country, China faces a load of obstacles in development, especially outdated technology and less-than-satisfactory management. That's why China is less efficient in energy utilization, while China's per capita energy consumption is low. Our energy intensity and carbon emissions are 1.5 to 2 times higher than the global average, and 3 to 4 times higher than the levels in developed countries.

If China becomes less reliant on coal, shift from heavy to light industry, and improve the energy efficiency, China will be at the same start line with developed countries in the race of carbon neutrality. In pursuit of peak carbon emissions, China must make efforts to increase the energy efficiency, improve the energy system, and adjust the economic structure. During this process, China will never compromise its high-quality development and high-level protection, thus laying a solid foundation of carbon neutrality.

Developed countries that have peaked their carbon emissions generally have 50 to 70 years to become carbon neutral. However, China only has 30 years. Many may ask that whether China should also allow itself with 50 to 70 years to achieve carbon neutrality.

This is impossible for political considerations. The CPC has announced that China will achieve modernization in all respects by the 100th anniversary of the foundation of New China, that is, by 2050.

Let's take a look at the possibility for China to achieve its carbon neutrality. After 70 years from the foundation of New China, or 40 years from the reform and opening-up, China finally becomes fully industrialized. Developed countries, however, have taken more than 200 years to achieve this. So we are capable enough to outrun developed countries and achieve carbon neutrality in just 30 years.

We can do that because of our reform and opening up. We keep introducing advanced international technology and management practices, and innovating our development model. So China managed to complete industrialization in a short time, which, however, took developed countries about 200 years. While moving towards carbon neutrality, we should also emphasize international exchanges and cooperation. We must learn the advanced experience and technology from developed countries in achieving carbon peak and carbon neutrality. It's never unachievable. We should be confident and determined in our commitment to carbon peak and neutrality. We should keep evolving. In so doing, we can surely become carbon neutral by 2060. We should have the confidence.

Carbon peak and neutrality is actually a race of innovation towards development transformation. The EU had announced its carbon neutrality goal before China. This year, a number of countries such as South Korea, Japan, and the U.S. have jumped on the carbon neutrality bandwagon. By now, the economies accounting for more than 75% of the global GDP have pledged to become carbon neutral. Carbon neutrality has become a global trend.

In essence, it aims to achieve sustainable or low-emission development of the world, and shift from resource dependence to technology dependence. No country wants to lag behind during the transition. Neither does China. China must learn to solve problems with innovation, and find opportunity in challenges. Turning the impossible into possible itself is an innovation, which entails constant advancement of technology, and evolution of systems and mechanisms.

Over the past three decades since the conclusion of the UNFCCC, a variety of low-carbon technologies have been developed to address climate change. These technologies have been constantly iterated. Take PV power generation for example. In 1990, the cost was about 20 USD per watt. Now, it has dropped to about 0.4 USD. Ten years ago, the cost of PV power generation in China was 2 RMB per kWh. But now it is below 0.3 RMB. Some countries have even cut the cost to less than 0.015 USD.

The IEA said renewable energy sources, especial solar PV, are on pace to become the cheapest power in the future. China has proposed to build an energy system based on clean energy sources. It's similar to the zero-carbon energy systems envisioned by the EU and America. They all seek to use non-fossil or renewable sources to replace fossil fuels, thereby achieving zero emissions.

Also, we should endeavor to achieve low carbon emissions in industry, construction, transportation and all aspects of life. Only by substantial innovations can we achieve our goal. Low carbon is an irresistible trend and a global consensus.







Here is a typical case. On May 26, 2021, a landmark judgment ruled that the oil giant Shell must cut emissions by 45% by 2030 from its levels in 2019. Shell, as a rich conglomerate, defended itself based on the following arguments: It simply responds to the demand for oil and gas. If selling gas and oil is guilty, shouldn't other oil companies also be punished? Moreover, the ruling will trigger a global crackdown on energy suppliers for the automobile industry, thereby threatening global energy security.

But the court did not agree. It states that drug abusers and drug dealers are different. The former is the victim, whereas the latter the gainer. So drug dealers should be punished, not the drug abusers. Shell was justly found guilty. Shell's second point doesn't make any sense because it's impossible for a court to bring all criminals to justice. What it can do is to convict anyone who are sent to the court and turn out to be guilty. As for energy security, it is none of the business of the court. The UNFCCC sets the goal to achieve carbon neutrality and replace fossil fuels with non-fossil ones by the end of this century. If Shell insists its innocence, it should challenge the justification of the UNFCCC, or file a lawsuit against the Dutch government.

The case reminds all businesses and individuals that everyone has a duty to facilitate carbon peak and neutrality. We must keep low carbon in mind during production and consumption. We must make every effort to reduce our carbon footprint, and contribute to the carbon peak and neutrality. In this way, can we create a carbon neutral world. Going forward, we must try to figure out how we can transform our development model with technology to leave behind a better world for future generations.

While moving towards carbon peak and neutrality, we should keep thinking and innovating to develop a low-emission and sustainable growth path. That's how we can achieve our carbon peak and neutrality goals.

## China's Decarbonization Technologies Help the World Achieve Zero Emissions

The discussion of issues on reducing carbon emissions and achieving a state of carbon neutrality through the use of advanced technologies proposed today at the sub-session, is at the center of attention of the entire world community due to the most serious problems of climate change.

Experts agree that it is human activity, the burning of oil, gas and coal, that leads to the greenhouse effect, which causes an increase in the average temperature, which leads to many negative consequences for human life. In particular, the deteriorating environmental situation contributed to the evolution of the epidemic process of many infectious diseases. According to WHO, 2 billion people suffer from infectious diseases every year, of which 14 million die.

According to the UN, in recent decades, due to climate change, there has been an acceleration of the rate of desertification worldwide. At the moment, more than two billion hectares of productive land have been degraded worldwide by desertification, and an additional 12 million hectares are being degraded annually.

Problems related to desertification and land degradation, water scarcity, and food security also affected the entire SCO region, mostly Central Asia, which is the core of the Organization. Socioeconomic stability in this region is of key importance for the entire SCO space.



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In this context, we are talking about the drying up of the Aral Sea, once the fourth largest closed sea in the world, which caused an environmental disaster, which has not only regional, but also global significance.

The Declaration of the heads of the SCO member states, adopted at the end of the Bishkek Summit in 2019, stressed that the growing and cross-border security challenges and threats, including climate change and the shortage of drinking water, require special attention, close coordination and constructive interaction of the world community.

Based on the importance of preserving the ecological balance in the SCO space, restoring biodiversity, ensuring favorable conditions for the well-being of the population and sustainable development and in order to implement the Concept of Cooperation in the Field of Environmental Protection of the SCO member states and the Action Plan for its practical implementation at the Moscow SCO Summit last year, President of Uzbekistan Shavkat Mirziyoyev proposed to develop and adopt the "SCO Green Belt Program" within our Organization.

This program is aimed at the use and implementation of technologies with low greenhouse gas emissions in the sectors of the economy, the increasing the share of renewable and low-emission energy in order to reduce greenhouse gas emissions into the atmosphere.

Currently, the "SCO Green Belt program" is being discussed by the exports of our countries and it is planned to adopt it at the SCO anniversary summit in Dushanbe on September 16 and 17 this year. Today, all the SCO member states are striving to significantly reduce carbon emissions and achieve a state of carbon neutrality, which, in turn, will lead to a number of significant, far-reaching positive decisions concerning ways of human life and productivity, stable increase in yields, ensuring food security, preventing natural disasters and strengthening energy independence.

Good news for both China and the SCO countries, as well as the global fight against climate change, was the adoption by Chinese President Xi Jinping at the UN General Assembly on September 22, 2020, of commitments to achieve zero emissions by 2060. For the world, China's acceptance of these commitments brings the world community closer to achieving the goals of the Paris Agreement to limit global warming to less than 2 °C.

The implementation of an active program to combat climate change will bring tangible economic benefits to China. According to available calculations, the program to achieve the goal of 1.5 °C will increase the country's GDP by 2-3%, reduce the demand for fossil fuels by about 80% and reduce emissions by 75-85% for the period up to 2050.

China's decarbonization initiatives create huge opportunities to accelerate technological innovation and modernize production, which will further strengthen the country's economy. We should also not forget that China is a global manufacturing and innovation center, and by setting new goals for itself, it is on the way to becoming the largest supplier of decarbonization technologies for other countries striving to achieve zero net greenhouse gas emissions.

I am confident that at the conference and the sub-session will be comprehensively discussed issues of ensuring carbon neutrality based on industrial digitization, innovations in the field of technologies and carbon finance, as well as developed concrete constructive proposals to achieve common goals to combat climate change around the world, as well as in the SCO space.







### **On Carbon Neutrality**

### First, carbon neutrality drives China's economic transformation.

The vision to achieve a peak in carbon dioxide emissions and carbon neutrality in the next one to four decades will be the historical background or constraints for China's economic reform and development. Therefore, China has to push ahead with economic transformation and pursue sustainability. That is to say, we must seek system and technology innovation, as well as restructuring of energy, industrial, and transportation sectors, to achieve economic growth, social inclusion, and environmental sustainability.

Second, carbon neutrality may cause industry players to downplay or evade their emission reduction responsibility.

As we enter the third decade of the 21st century, conglomerates and governments of many countries and regions have released their timelines and roadmaps to achieve carbon neutrality. On the one hand, it is inspiring because all sectors across the world are demonstrating their resolution to address global climate change. On the other hand, it may cause industry players to downplay and even evade their emission reduction responsibility. Carbon sources and carbon sinks are two indicators of carbon neutrality. When carbon neutrality is achieved, it means that carbon sources are equal to carbon sinks. This equation signifies possible flexibility. Rich countries and regions, as well as powerful multinational companies, can not only achieve carbon neutrality by reducing



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carbon emissions, but also invest in carbon sink projects, such as buy carbon indexes from the carbon market, to offset carbon emissions, and thereby achieving carbon neutrality.

Three circumstances may lead industry players to downplay or evade their emission reduction responsibility. First, carbon index buyers are more willing and more powerful to push down carbon prices, because there are fewer buyers than sellers in the market. Second, impoverished countries and regions are more pollution-prone, which traps them in a vicious cycle of poverty and pollution. Third, many carbon sink projects lack a scientific and rigorous evaluation method. For example, carbon sinks for forests strongly rely on the type, size, quality, and age of trees. If a forest fire or deforestation occurs, the previously sunk carbon may be re-emitted to the air.

For instance, China has implemented a policy to ensure a minimum arable land area of 1.2 million square kilometers. However, it also allows a requisition-compensation balance of farmland, as well as cross-provincial transactions of land indexes. An equation is involved here, that is, requisition-compensation balance and cross-regional transactions are allowed to ensure the minimum arable land area. However, this method cuts both ways. A very possible situation is that the quality or fertility of the land purchased is significantly lower than the originally occupied land.

Given this, we suggest all countries and regions place more emphasis on carbon emission reduction from sources while pushing for carbon neutrality. Authorities can also consider limiting the proportion of emission indexes that can be offset to prevent carbon emission index buyers from nonfeasance.

#### Third, carbon equity and carbon compensation should be valued.

During a specific period, say, one year, a country or a region will produce and consume certain quantities of products. Moreover, domestic and foreign trades are involved. Therefore, the numbers of products produced and consumed are usually unequal. In the meantime, various resources and energy will be consumed and different pollutants may be discharged during production. Usually, the price of a product cannot completely reflect the resource and environmental costs of the product, because only manpower, raw material, and capital costs are taken into consideration in pricing. Therefore, for the countries and regions where resource and energy consumption and pollutant emissions at the production end are significantly higher than those at the consumption end, trading has led to problems of space allocation for pollutant emissions and carbon equity.

Here is an example. According to our study, in Hebei, the pollutants annually discharged at the production end are significantly more than those at the consumption end. However, the situation in







Beijing and Tianjin is the opposite. Large quantities of pollutants are discharged during trading in Beijing, Tianjin, and Hebei, and those discharged in Beijing and Tianjin are then transferred to Hebei.

Therefore, both international and domestic trade involve cross-border and cross-regional carbon emission transfer, which undermines carbon equity. To solve this problem, the countries and regions that transfer out their carbon emissions should pay a certain amount of monetary compensation to the countries and regions that accept their carbon emissions. This is similar to the purchase of carbon indexes from a hidden carbon exchange. I call it "carbon compensation." It is noteworthy that the Carbon Border Adjustment Mechanism (CBAM) being mulled over by the EU apparently goes against the carbon compensation principle. By virtue of foreign trade, the EU transfers their carbon and other main pollutants to export-oriented developing countries, making the latter an "open dump." What's worse, the EU not only refuses to pay any compensation, but also levies carbon tariffs on exporters. Once carbon tariffs are imposed, carbon equity will definitely deteriorate.

### China-Indonesia Collaboration Is Critical to Achieving Carbon Neutrality

It is indeed a great honor and bliss for me to be part of the 2021 Taihe Civilizations Forum, which I believe will serve as knowledge sharing and promotion about economic and technology cooperation. On this special occasion, allow me to address three points.

First, I would like to share with you about Indonesia-China's relationship. After 71 years of the establishment of diplomatic relations, Indonesia-China had matured their relationship by signing a Comprehensive Strategic Partnership on 2 October 2013. And we can see the maturity from the economic figures.

In trade relations, China has been Indonesia's biggest trading partner for years. In the first semester of 2021, two-way trade figures reached USD 53.5 billion. This number makes Indonesia becomes the 13th biggest China trading partner.

In the investment sector, in the first semester of 2021, China and Hong Kong's investment in Indonesia reached USD 4 billion. This number makes China the third biggest foreign investor in Indonesia.

Second, the Government of Indonesia has put a plan on a path toward carbon neutrality by 2070 and set a target of reaching 23% renewable energy utilization by 2025 and 31% by 2050. Indonesia has also committed to reducing emissions by 29% from the



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business-as-usual scenario by 2030, or 41% with international assistance.

To support this plan, Indonesia has plenty of untapped potential in renewable energy. Subsequently, Indonesia has the capacity to generate 417 gigawatts of power from renewable energy sources such as wind, solar, tidal, and geothermal.

However, Indonesia still needs to put more effort into overcoming the challenges in achieving this goal in carbon neutrality as the renewable energy contribution in Indonesia's energy mix has only reached 11% so far.

This brings me to the third point, which is the need for international exchange and cooperation. The Government of Indonesia attaches great importance of the spirit of cooperation and collaboration with many countries.

Meanwhile, China shares the same intention to reduce fossil fuel energy use, with a commitment to become carbon neutral before 2060. China is already leading in renewable energy, particularly in solar and wind power, and has become the largest outbound investor in the said sector.

In this light, having the same aspirations and needs, both China and Indonesia have the potentials to complement each other. Indonesia and China have engaged in all-around cooperation covering investment, construction, operation, technology, knowledge transfer and human resource development.

However, there is still ample room for collaboration and cooperation in the renewable energy area. In fact, the two countries have already signed a Memorandum of Understanding on Energy Cooperation in November 2017, with the development of new and renewable energy and energy conservation as one of the areas of cooperation.

I strongly believe that strengthening cooperation in renewable technologies is crucial to reach carbon neutrality. This kind of cooperation will deliver multiple benefits for all parties.

I firmly believe that collaboration between the government, entrepreneurs, scholars, civil society, and all stakeholders will create the critical factors in reaching our common goals of carbon neutrality.

Allow me to conclude that we are at the Indonesian Embassy in Beijing will be more than happy to assist you in coordinating and liaising the energy and technology cooperation.

## Transformation of Traditional Industries and Financial Initiatives for the "Dual Carbon" Goals

I'm very glad to share my thoughts on the transformation of traditional industries and the innovative finance initiatives for actualizing China's "dual carbon" goals at the Taihe Civilizations Forum.

I'll start from the transformation of energy and chemicals, coal-fired power, and steel industries that are most influenced by the "dual carbon" goals.

As China moves towards carbon neutrality, the energy and chemicals industry, especially coal chemicals and petrochemicals, will gradually shift from direct energy use to synthetic fuels. Fossil energy sources will not be burned to provide power and heat. Instead, they will be made into carbon-neutral fuels which bind carbon atoms into harmless compounds rather than putting them into the air in the form of carbon dioxide. In the case of coal chemistry, typical byproducts include coke, methanol, and ethylene. Coke is used as fuel in steelmaking, which leads to large amounts of carbon emissions. Ideally, coke should be avoided in the process for the sake of carbon emissions reduction. However, the ratio between carbon and hydrogen atoms in coal is much higher than that in methanol, which is 1:4. When coal is used to produce methanol and downstream chemicals, the surplus carbon atoms will produce coke. External hydrogen atoms are needed to convert coke into methanol. One solution is to use PV and wind power to produce hydrogen by electrolysis, which is then combined with coke to produce industrial



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feedstocks such as methanol and ethylene, enabling clean use of coal. Carbon in these feedstocks is sequestered from the air when they are used. This is one way for coal chemistry to go green.

Even if it becomes carbon neutral in the future, China will retain a portion of coal-fired power plants for peak shaving to alleviate the problem of unstable PV and wind power supply. These coal-fired power plants will be more efficient by adopting advanced technology and management tools. Carbon emissions from these coal-fired power plants will be removed by low-cost CCUS technology in the future.

The steel industry may use hydrogen to decarbonize steelmaking or gradually prioritize mini mills. Coke acts as both a fuel and reducing agent in steelmaking. We may use an electric furnace and other reducing agents to replace coke. Hydrogen is such a clean alternative, which can be used to reduce iron ore with zero emissions. And this technology has been explored the most worldwide. However, hydrogen is restricted from widespread use in steelmaking due to various factors such as technical limitations and high costs.

Unlike integrated steel mills, which make new steel from iron ore powders, mini mills produce steel from recycled scrap metal. Scrap metal is melted and turned into billets in an electric arc furnace (EAF) and then converted into steel, avoiding the reduction process which consumes extraordinary amounts of energy and produces huge amounts of emissions. Mini mills produce less than a third of the carbon emissions from integrated mills. They are the future of the steel industry.

Let's move on to the next topic: financial innovations in favor of the "dual carbon" goals.

The People's Bank of China (PBOC) has included green financing into its macro-prudential assessment (MPA) framework, a tool that rates the overall performance of financial institutions. Green loans and

bonds among others are heavily weighted in the rating system in order to spur green finance. PBOC has also launched a green refinancing policy. Commercial banks can borrow money from PBOC and then lend the money to their clients. Lower rates on green loans offered by PBOC reduce the financing cost of green and low-carbon projects. Rate subsidies and guarantees are also provided for green and low-carbon projects, primarily by local governments, for example, in Jiangsu and Zhejiang provinces, so as to encourage financial institutions to support green finance and enterprises to develop green projects.

Apart from green loans and green bonds, other financial solutions are also being rolled out to support the transformation of traditional industries. Sustainability-linked bonds (SLBs) are one of these solutions. The cost of bonds or loans is tied to a project's performance in reducing carbon emissions, thus spurring the project owner's efforts to cut emissions.

We are also working on financial solutions to support an early phase-out of coal-fired power. The solution is to buy out coal-fired power plants at current market prices with cheap money from foreign sources, and shorten the service life of these plants from 25-30 years to 10-15 years. Some international financial institutions, such as ADB, Citibank, and HSBC, have been trying this solution. It gives coal-fired power plants enough window for the green transition, and minimizes the potential economic and financial risks during the transition. There are also carbon market-related financial innovations, for example, the use of carbon credits as collateral to secure financing.







### China Needs a Greater Say to Achieve Its "Dual Carbon" Goals

As the most topical issue of the day, carbon peaking and carbon neutrality are tricky problems that need to be addressed calmly. They concern not only the environment, but also politics, diplomacy, economy, trade, and technology, and we have not totally figured them out yet. Climate change is a major concern of the United Nations, addressing which requires a global effort. The United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement are all based on the principle of common but differentiated responsibilities (CBDR). China is pushed to the forefront of the fight against climate change while other major carbon polluters hold back. Why is that? All eyes are on China because it accounts for about one-third of global carbon emissions. However, the global effort on climate change, emissions reduction, and carbon peaking and neutrality must follow the CBDR principle. China, as a developing country, should be treated differently than developed countries. This is a very important political issue, and the game has just started.

Carbon peaking and neutrality will trigger a profound socioeconomic reform that touches everything from energy, technology to industry, as well as a major change of lifestyle that will affect everyone. The fight against carbon concerns every country, developing and developed ones, and it requires a global effort. President Xi Jinping's "two mountains" theory (i.e., lucid waters and lush mountains are invaluable assets), and the goal of building a human community with a shared future have all proven that emissions reduction is a challenge facing all mankind. Now, in China, every individual and



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every sector has joined the national endeavor to cut carbon emissions. We also need international cooperation. Actually, the "dual carbon" goals are visions worth striving for, instead of fixed targets. China is doing its best to achieve the "dual carbon" goals, but it is never easy for a developing country to fulfill its carbon pledges. We are still a novice in the development of low-carbon technology, metrics, and standards. Having accumulated a certain amount of experience, China now can absolutely participate in creating relevant standards and rules, in order to rise to the forefront of the fight against climate change.







## **Stay Aware of Climate Issues**

Climate change is the most urgent threat facing the world that needs to be addressed in the calmest way. We must commit to it as much as we can in order to follow through in response to the global call for action on climate change. We must cut carbon emissions while promoting economic growth. All in all, we must act with our own interests taken into account.

So, we must be aware of the following aspects:

First, it is an arduous task to fight climate change, peak carbon emissions and achieve carbon neutrality. We must spare no effort and waste no time since the window left for us to achieve the goals is very small. Only with a far-reaching vision, a confident and resolute attitude, and fast action, can we reach the goals. That is China's responsibility as a major country.

Second, as a developing country, China still has a long way to go although it has eradicated extreme poverty, attained the first centenary goal, and achieved moderate prosperity in all respects. Tremendous efforts are still needed to reach the second centenary goal and boost tremendous economic development. Therefore, we need to carefully balance climate and development goals. Aggressive emission reductions will inevitably prejudice economic growth, employment, and social stability while a laid-back attitude will prevent us from fulfilling our pledges. We must steadily push ahead with our climate and development efforts in a coordinated and balanced manner.

Third, we need new decarbonization and low-carbon technologies



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and effective renewable energy sources to attain our emission reduction targets. We still need much more alternatives to fossil fuels apart from the solar, wind, and nuclear energy sources. Carbon emissions reduced by CCUS and carbon quotas are only a drop in the bucket. Therefore, the carbon neutrality goal is a test of our abilities to break through the limitations of current knowledge and technology.

Fourth, to become carbon neutral, we must change our lifestyle and consumption behaviors. In pursuit of a better life and higher living standards, people inevitably lead an extravagant lifestyle. Disposal goods, over-packaging, food waste, and energy consumption in buildings, among others, have all contributed to carbon emissions. We must reflect on our lifestyles and consumption behaviors, and redefine the quality of life. We must lead a green and low-carbon lifestyle. We must embrace frugality and waste no resources for our future generations.

Fifth, to achieve the "dual carbon" goals, we need strategies, plans, approaches, standards, evaluations, supervision, and legislation. We must avoid window dressing, or pursuing private interests on the pretext of carbon neutrality. The market, government, and society all have a role to play in the efforts toward carbon neutrality. A carbon market makes it easier for us to achieve carbon neutrality. Governmental guidance, supervision, regulation, and legislation are also essential. Furthermore, carbon neutrality concerns everyone. We must mobilize all social forces, like media, think tanks, and NGOs, to join the endeavor.

Sixth, the West has been blaming China for climate change and urging China to take more responsibility. European countries have introduced carbon tariffs, against which we must maintain highly vigilant.

To address climate change requires a global effort. Measures and rules set forth by developed countries that outstretch the capacity of developing countries and even prejudice their interests can never help solve the issue.

Some Western countries are trying to politicize the climate change issue, and start a "new Cold War" with China, which is really a shortsighted move that may seriously undermine the global effort on climate change. We must oppose and resist such behavior.

In the fight against climate change and carbon dioxide, China should bear its own responsibility while resisting external interferences. It is a test of our leadership and decision-making abilities, technological innovation, market regulation, economic resilience, climate awareness, and resistance







against external interferences.

I firmly believe that China can withstand any test and overcome any difficulty to achieve the second centenary goal by 2050, become carbon neutral by 2060, and ultimately build a community of shared destiny.

# Dynamics, Opportunities and Challenges in the Era of Digital Economy

## First, the revolution of information technology gives rise to a new dividend period.

I strongly believe that we have entered a new era in which the 6th Technological Revolution, the 4th Industrial Revolution, and the 3rd Internet Revolution overlap with each other. The current Technological Revolution empowers humanity through intelligence. Industry 4.0 facilitates automated, informatized, digitized, interconnected, and intelligent manufacturing. The Internet, fixed or mobile, plays a bigger role in connecting physical objects, thereby concocting the Internet of Things (IoT).

In addition, the next generation of information and communication technology (ICT) characterized by big data, AI, cloud computing, blockchain, advanced information network, IoT, quantum computing, and quantum communication is taking shape. The next-generation ICT is fundamentally changing the form, structure, connections, and engine of the world economy. The present Technological Revolution has indeed brought forth a new dividend period.

# Second, the digital economy changes the world and human society.

The integrated development of IT, PCs, the Internet, smartphones, and the mobile Internet led to the explosive growth of data. Big



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data has captured the world's imagination and become a global trend. At present, people are visualizing what kind of value big data would create.

As everyone aspires to create value with data, data becomes the major driving force behind digital technologies, including big data, AI, cloud computing, and blockchain. Data is now considered an important means of production, just as digital information and knowledge become new factors of production. Meanwhile, advanced information network becomes an important data carrier, and ICT emerges as the main driver of efficiency improvement and economic restructuring.

The fourth normal form, along with the rise of data-driven business models, has spurred the rapid development of network economy, platform economy, data-driven economy and other forms of the digital economy. We are now living in two worlds at the same time—the physical world and the virtual world—and everything is based on the dualism of physical and virtual aspects.

The previously mentioned dualism has changed the real economy as well as today's society and is now built on three pillars, namely, human, machine, and things. The changing proportion and added value of primary, secondary, and tertiary sectors have gone beyond the traditional. The society may develop in a parallel manner or achieve integrated development in the physical and virtual dimensions.

Instead of running straight on like pipelines, the supply chains are coming full circle and therefore disrupt the traditional relationship between production and consumption. As a result, the line between supply and demand becomes blurry. At the end of the day, producers and consumers become one and the same, or "prosumers." The world economy can be digitally transformed in two ways; that is, production and trade can be conducted in the physical and/or virtual worlds. In simple words, we have three options: to do business only in the physical world, to do business in the physical and virtual worlds, or to do business only in the virtual world.

# Third, cross-sectoral integration becomes the trend, thereby giving birth to the quaternary industry.

Industrial digitization and digital industrialization are facilitating the advancement of the production, consumption, and livelihood sectors. However, none of the existing ICT, information infrastructure, or services can single-handedly meet the massive and diverse needs for digital applications. The integration of ICT and digital technologies proceeds in three stages: the integration of different types of IT, the integration of IT and CT, and the integration of ICT and digital technologies. The third stage is also known as ICDT. The ICDT and information network infrastructure generated based on it will give rise to new technological innovations and cross-sectoral integration.

In terms of convergence of infrastructure, a new type of information infrastructure is constituted by the integration of advanced information networks, enabling digital technologies, and computing platforms. In terms of convergence of communication services, personal communication, media communication, and control communication are combined to form unified communication and network services. As for network integration, a cloud-based, software-based, and intelligent network is now on the rise. An industrial ecology featuring mutual penetration, integration, and collaboration of "cloud, network and edge computing" has gradually taken shape, and the information communication network has become a vital part of the infrastructure of the digital economy. This new industrial ecology provides the society with perception, linkage, calculation, processing, smart analysis, and security capabilities. The real and virtual economies are integrated and interwoven with each other, but their own operation rules and connotations are preserved.

Technological integration has triggered industrial transformation, which not only creates new space for industrial development but also promotes the further adjustment of the industrial structure. Data aggregators and ecological integrators, platforms are the next focus of digital transformation. OTT-based dividends generated from the network shift to transactional, interactive, information-interactive, and innovative platform dividends that are based on the optimized allocation of resources and the adoption of a data-driven model to realize digital value.

With the integration of services and new information infrastructure, the penetration of ICDT technology into various industries, and the collaboration and integration of information and communication services and traditional services, smart services and applications are gradually establishing prominence. For example, smart manufacturing, smart agriculture, smart cities, smart healthcare, smart finance, smart tourism, smart education, and smart logistics are now becoming essential parts of the respective sectors across the world.







At present, the society exhibits the characteristics of the quaternary industry. In 1962, Fritz Machlup created the concept of information industry when he put forward the concept of "knowledge industry." These concepts were then used by Tadao Umesao when he introduced the theory of information industry in 1963. In his 1997 book The Information Economy: Definition and Measurement, Fritz Machlup presented the theory about the institution of the quaternary industry and defined the information industry as the fourth industry after agriculture, industry, and service. With the rapid development of digitalization, ICT has penetrated into every field of social economy, and ICT applications have become increasingly extensive.

Fourth, major countries strive to seize the ICT high ground.

To become a front-runner in the ICT field, a country must cover four aspects: chips and integrated circuits, enabling technologies, enabling infrastructure, and applied technologies that drive socioeconomic development.

Next-generation chips comprise semiconductor chips and biochips. Chips serve multiple functions, such as a stranglehold that some major countries have over other nations, an accelerator of socioeconomic development, a key technology involved in national security, and a striking symbol of competitiveness.

Cloud computing, big data, AI, and other enabling technologies are foreseen as the key technologies that will reshape the great country competition in the future. As one of the most innovative sectors, AI has a deep imprint on the political, economic, military, and social development of various countries. Moreover, the advancement, penetration, and integration of AI with other technologies boosted various scientific fields.

For example, chemistry, biology, and other disciplines that rely on large amounts of data utilize big data and computer simulation to conduct research. Computing based on massive data can lead to the development of new laws and phenomena that are difficult to achieve by using traditional research methods.

Major countries have issued a series of strategic development plans and supporting policies for big data and AI and subsequently laid out innovative theories and key technologies for the development of AI-related industries and smart societies. As a result, breakthroughs in core devices, high-end chips, and basic AI software are achieved. In addition, the rapid penetration and integration of AI technologies with various sectors of society and people's livelihood, such as medical care, finance,

culture, agriculture, transportation, logistics, and education, are witnessed.

Enabling infrastructure gradually improves the strategic significance and commercial value of technology. The underlying technology, structure, and model of different applications support social and economic development.

Enabling infrastructure includes the information communication network infrastructure; the new technology infrastructure represented by big data, cloud computing, blockchain; and the computing infrastructure represented by data center, intelligent computing center, and submarine optical cable. Several major countries incorporated trading and interactive digital platforms that have great strategic influence and high commercial value into the scope of enabling infrastructure.

The present world is binary. The mapping of digitalization to the physical world is expanding. Digital platforms can be used in different sectors of economy, thereby becoming the focus of digital economy, the foundation of economic innovation, and the basis of value segmentation. These platforms have an increasing effect on the global economy, setting off strategic competitions and possibly new conflicts among major countries.

Applied technologies refer to technological applications with revolutionary influence on specific sectors. These applications can not only add value to traditional technologies but also supplement enabling technologies and infrastructure in different industries and scenarios. The resulting synergies translate into greater returns.

For example, smart cities combine IoT and AI. Similarly, autonomous driving technology combines IoT, AI, and other technologies. Enabling technological revolution can catalyze the creation of new economic forms. Any overlap, synergy, or integration of enabling technologies and infrastructure that is applied, coordinated, or integrated with various social sectors will have multiplied effects and open up new spheres for technological innovation and value creation.

## Fifth, the trend of economic globalization becomes irreversible.

Economic globalization hastened the proliferation of industry and supply chains, and the streamlining of these chains deepened economic globalization over time. Despite several pauses and stops, economic globalization remains an irreversible trend. Digitalization realizes the functions of data acquisition, data processing, and data analysis. The data value chains that emerged amid such changes maximize and monetize the value of data, thereby providing new impetus for all sorts of economic







restructuring and value creation.

Two different forms of chains exist in the contemporary economy. The first one is the industrial link of the real economy represented by the manufacturing industry. This link involves the industrial chain, supply chain, value chain, and innovation chain. The second one is the industrial link of the virtual economy, which refers to the data value chain.

The combination of the data value chain and industrial chains, supply chains, value chains, and innovation chains gave rise to "the fourth economic globalization." Such a combination creates new types of industrial chains, supply chains, value chains, and innovation chains that cross borders, regions, industries, ownership, and ideology based on the globalized market mechanism.

At present, the demand side and the supply side form a matching link, and the blurred boundary between production and consumption forms a powerful industrial ecology. The scientific and technological revolution, industrial revolution, and economic globalization are intertwined and develop simultaneously, which is unprecedented in human history. This phenomenon proves that the trend of the fourth economic globalization is irreversible.

## Lastly, digital economy is associated with carbon neutrality.

Digital economy and carbon neutrality are two major goals that countries must accomplish at the same time. Vast opportunities are available for countries that promote digital economy and carbon neutrality rules and objectives. However, these countries also face challenges and great headwinds against economic development.

The development of the information and communication industry considers energy saving and emission reduction as important tasks. At the same time, the revolution of ICT and digitalization serves as an important foundation and support for carbon neutrality. Only by making full use of digital technologies, such as big data, AI, and blockchain, and relying on advanced information networks, the Internet, and IoT, can we efficiently achieve the goal of carbon neutrality.

## We Are Vigorously Promoting Low-Carbon Transport

At the ninth meeting of the Central Committee for Financial and Economic Affairs on March 15, President Xi Jinping emphasized that carbon peaking and neutrality will trigger an extensive and profound socioeconomic reform in China, and that China should incorporate the peaking of carbon emissions and carbon neutrality into the overall layout of building an ecological civilization. China should peak its carbon emissions by 2030 and become carbon neutral by 2060 as scheduled. Transportation, as a traditional industry, must join the national decarbonization endeavor.

# Firstly, transportation plays a key role in achieving the "dual carbon" goals.

As a traditional industry, transportation plays a key role in achieving the "dual carbon" goals. First, transportation accounts for a large part of China's carbon emissions. Amidst the COVID-19 pandemic, the industry was almost stuck in limbo. So, the data for 2020 cannot reflect the true carbon emissions level of the industry. In 2019, the industry emitted about 1.1 gigatons of carbon, accounting for around 10% of the total carbon emissions of China. Second, transportation will see a growing demand for a long time as China advances its goal to become a transportation powerhouse. Third, carbon emissions from transportation largely depend on other industries. For example, the volume of traffic depends on the traveling and logistics needs, and the vehicles are provided by the manufacturing sector.



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Secondly, transportation needs an industry-wide low-carbon transition in all respects and across the supply chain.

Despite a load of difficulties, the industry has done a lot to facilitate low-carbon transition. Now, the industry is boosting low-carbon development from four aspects: First, adjust the energy structure by increasing the use of low-carbon vehicles; second, adjust the transportation structure by promoting multimodal transport; third, innovate on organizational models by adopting new technologies, methods, and ideas to facilitate new business formats, boost the platform economy, and improve the overall efficiency; fourth, encourage the use of public transportation to advocate a green lifestyle.

In view of this, I have three suggestions. First, an industry-wide low-carbon transition. Transportation consists of over 60 subcategories including road transport, railway transport, waterway transport, air transport, and express. Road, waterway, railway, and air transport account for 74%, 8%, 8%, and 10%, respectively, of the industry's carbon emissions. To achieve the carbon peaking and neutrality goals requires an industry-wide effort. Second, a low-carbon transition in all respects. Although there are many different definitions of transportation, its basic connotation remains the same, that is, the movement of goods and persons from place to place and the various means by which such movement is accomplished. Transportation is composed of six elements: people, means of transport (trains, road vehicles, aircraft, ships, pipelines, etc.), transport routes (railways, roads, waterways, shipping routes, etc.), hubs (stations, airports, ports, depots, warehouses), movement of people and goods, and loading and unloading equipment, as well as six derivative elements, including speed, safety, comfort, purpose (the purpose or plan of movement), information (the need to match various elements), and organization (the activity to match various elements). To achieve the carbon peaking and neutrality goals requires a low-carbon transition involving all these elements. Third, a low-carbon transition across the supply chain. Carbon emissions from transportation largely depend on the upstream and downstream industries. For example, it has no say in the emission standards of cars and boats produced by upstream manufactures; it has to transport coal and ore wherever there is a need; it must deploy transport routes to serve the urban planners' ambition. Even so, the industry plays a guiding

role, for example, imposing mandatory low-carbon requirements on vehicles, and encouraging the production of advanced vehicles. So the industry needs to green the entire supply chain.

## Thirdly, China is on track for green transportation.

The development of low-carbon strategies, schedules, routes, and work plans is underway. We are confident of achieving green transportation. Transportation accounts for about 10% of carbon emissions in China, lower than the world average. Cars contribute to 74% of the emissions from transportation. China's auto industry is ushering in an electric, intelligent, connected, and shared future. New energy vehicles should account for 25% of car sales by 2025, which will greatly reduce the GHG emissions from transportation. Moreover, less than 20% of vehicles are commercial cars and passenger vans which have contributed over 50% of the emissions due to high fuel consumption and energy intensity. As the energy structure is adjusted, the coal demand will fall, so will the transportation need. Besides, in the new transportation structure, medium and long-distance trips will switch to high-speed rail, inter-city trips to suburban railways, and intra-city trips to subways, thus slashing the demand for passenger vans.







## Keynote Speeches at the Sub-session on Education and Culture

# Mission, System, and Digitization in Vocational Education

I've seen a few confusing things in recent years. I once asked officials and experts on strategic planning in education about the differences between undergraduate vocational education, applied undergraduate education, and vocational education at the undergraduate level in terms of talent fostering. They said they are all designed to produce engineers. Then why didn't we combine them into one, I pursued. But I got no answer, and I still don't know the differences between the three.

A month ago, Guang Ming Daily released a survey on vocational education, which reveals that secondary school enrollment has markedly rebounded this year from the decline seen over the last decade or so. The survey concluded that secondary vocational education is increasingly attractive. I got confused. A teacher told me a major reason is that students can pursue higher education in secondary schools. Does it mean secondary vocational education now has greater adaptability? Different from general education, vocational education aims to produce professionals for all kinds of industries. Many said that it is a waste of talent for university graduates to work in workshops, which, however, is inevitable because secondary vocational school graduates don't take these jobs.



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The 14th Five-Year Plan has explicitly specified that China will develop digital literacy education in an all-round way. What is the role of digital literacy education in facilitating education for all? To what extent can we solve the problem? Online education has seen leapfrog growth since last year due to the pandemic. Almost all schools including vocational ones moved to online learning, whose advantages have been extensively proven. But we find that almost all learning resources on online platforms are non-digital. Then what difference has online education made? What is its contribution to the digital economy? Can it keep up with the pace of the digital economy? All the questions puzzled me.

Many experts suggest that vocational education must establish its own system to develop as a type of education designed to make students "work-ready." I agree, but how can we establish such a system? What are the current trends? Should it copy the structure and levels of general education? How should it interact with general education? Should it be proven by the structure of general education? My question is: how can we ensure the principal role of enterprises in vocational education at policy and institutional levels? I haven't found many clues to the question. I've read the "Draft for Solicitation of Comments on the Vocational Education Law" many times, and I was a member of the legislative team that drafted the first version of the Vocational Education Law. Vocational education accounted for less than two-thirds of the content in the Draft for Solicitation of Comments. Will the 20 proposals for reform and development of vocational education get legislative protection? These proposals are great, and it's a pity that they left no trace in legislation. You mentioned many changes in today's society, including the correlation between education and society. What is the growth room for vocational education and what is its role in the future? We need to consider these data's implications for vocational education. Many said we should develop higher vocational education given the current situation. Is it true?

Technological change has two obvious impacts on education. First, it provides easier access to knowledge for all people, and learning is no longer limited to school education. So we must rethink the role of vocational schools in the education system.

Second, deep learning technology is leading to some of the most visible changes in the employment sector. For example, the synergistic partnership that is rapidly taking shape between smart tools for production and the human mind is a change of historic proportions. One might argue that such a change has little to do with ordinary life, but in fact everyone is experiencing it now and then. A case in point is that today's students do not have to memorize as many facts as their predecessors did, which indicates that search engines are influencing the way we think and act. Traditional models suggest that education and learning start with memorization, but the case against it is building by the day.







Smart tools have become part of our lives. The future of work is not about using tools, but cooperating with them. As our relationship with smart tools becomes increasingly synergistic, what will vocational education look like going forward?

As far as the adaptability of vocational education goes, we should look into at least two issues: one is the development of generic competencies; the other is the development of talents. In fact, these are supposed to be the concerns of all educators, not just those at vocational schools. But what most often happens is, general education places undue emphasis on personal development, as if talking about talent training were disgraceful, whereas vocational education focuses on external talent needs and gives little thought to generic competencies. To make matters worse, each believes the other is wrong. However, to be truly adaptable, both forms of education must find a balance between personal and talent development. In this context, I think we need to take a closer look at three issues concerning the mission, structure, and scale of vocational education.

First, speaking of talent development, how can we coordinate the relationship between vocational schools and industry partners? If we cannot get this done, there is no way we can develop a "Chinese solution" to vocational education or solve all sorts of values-related issues. It is the same story as personal development. While general education is based on the system of knowledge, vocational education is based on the system of work. Vocational schools must make common causes with industry partners to help students hone their skills and their characters.

Second, what is the best way to integrate vocational and general education? As we all know, integration can be easy if the two sides are equal partners. So the next question is: To make vocational and general education equal, do we have to use the internal structure of one to define that of the other?

Third, it is the natural mission of vocational education to provide career development opportunities for all members of society. Therefore, vocational schools must strengthen their bond with industry partners. How to provide educational support for college graduates so each of them will be more likely to have a good job and a rewarding career? That is a fundamental concern of vocational education around the world, but not yet in China. Here, our focus remains on offering better education to vocational school students. To open up the possibilities for vocational education, we must broaden our horizons. For example, we would do well to revisit the "apprenticeship system with Chinese characteristics." What does "apprenticeship" mean? If a vocational school student becomes an apprentice, he/she should no longer be seen as a student, but as a member of the company. We need to make that clear. In reality, however, apprentices have the so-called "dual identities." More often than not, they are identified as students rather than employees or interns. That goes against all logic.

## Strengthening Partnerships for Quality TVET Towards Independent Campus Policies of Indonesian Government

First of all, I'd like to thank Taihe Institute for the invitation on behalf of the Embassy of the Republic of Indonesia in China. This morning, I'd like to share with you how to strengthen partnerships for quality technical and vocational education and training (TVET) towards independent campus policies of Indonesian government.

Indonesia's population is expected to hit 318.7 million by 2045. To cope with population growth, we will promote people-oriented development, utilize the first and second demographic dividends, and control urbanization and immigration. Indonesia has launched a five-pronged education development strategy. One of the goals is to improve vocational, entrepreneurship, and character education over the 2015-2045 period. By 2035, the average years of schooling should reach 12 years. We plan to increase our competencies in knowledge, skills, as well as attitudes and values. We will engage stakeholders including parents, communities, teachers, and peers in the educational development in Indonesia. We are also facing the challenge Industry 4.0 poses to human resource development. 84% of the world's jobs will be taken by machines, and we should prepare our human resources to cope with such a situation.

Here are the milestones in the cooperation between Indonesia and China. In May 2017, the First Belt and Road Forum for International Cooperation was held; in March 2019, the First Meeting of the Joint Steering Committee for the Development of Regional Comprehensive



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Economic Corridors between China and Indonesia was held in Bali; in April 2019, the Second Belt and Road Forum for International Cooperation was held in Beijing. On top of these milestones, in April 2019, Indonesia and China signed the Cooperation Plan on Regional Comprehensive Economic Corridors, mainly covering three areas, namely, North Sumatra, North Kalimantan, and North Sulawesi. Under the MOU, we have partnered on a number of national projects in West, Central, and East Indonesia. In Bali, we have conducted a feasibility study on the improvement of tourism infrastructure and integrated transportation infrastructure, as well as joint development of flagship tourism products. We have also carried out other projects under the Cooperation Plan, mainly in North Sumatra, North Kalimantan, and North Sulawesi. Both sides have poured a total of USD 91.1 billion into these projects. We have also engaged in all-round cooperation in higher education, R&D, innovation, and vocational education. These projects are mainly in North Sumatra and North Maluku, with an aim to develop human resources. In addition, China has offered a vocational education CSR program, which consists of 16 training courses. We work with the Chinese government on vocational training every year. More and more Indonesian students are studying in China. In 2019, more than 1,000 principals and teachers from Indonesia received vocational training in China.

We have also worked with China Education Association for International Exchange to invite more than 1,000 universities and 901 vocational schools to attend online seminars on development issues. We hope these seminars will lead to school collaboration.

The Chinese company Huawei and the Indonesian government have partnered to establish the Huawei ASEAN Academy, a dedicated training module set to empower local talents in Indonesia.

Every month we host an online briefing, in cooperation with the ASEAN-China Center, on the policy for Chinese universities to recruit students from ASEAN countries. The meeting is attended by 25

universities and more than 1,000 secondary or vocational schools. Each of them will introduce their programs and scholarships in detail to Indonesian students.

Meanwhile, the Indonesian Ministry of Education has partnered with the Center for Language Education and Cooperation to offer leadership training for principals of vocational schools. This program offers an opportunity for mutual learning and discussion on leadership, especially how China is progressing in vocational education, how to manage vocational training and vocational schools, and what is happening in Chinese secondary schools.

Also I would like to talk about Indonesia's vocational education system. There are more than 14,000 vocational schools in Indonesia with more than 5 million students. 33% of the vocational schools are in technical and engineering fields, which take up the largest share.

The Indonesian government has introduced policies to improve human resources quality to meet global competition. The Indonesian Ministry of Education and Culture, and other authorities have jointly developed the Freedom to Learn Policy, which brings many stakeholders, such as families, teachers, schools, society, and businesses, together to support the future of Indonesia's education.

The President of Indonesia has announced policies for vocational education development, including industry-led cooperation, industry participation, and simplified procedures for opening vocational schools. It now takes less than a month to get the approval to run a vocational school in Indonesia. Foreign universities can collaborate on vocational training in Indonesia through a simple procedure. We welcome Chinese investors to collaborate with us on vocational education and training in Indonesia.

The Freedom to Learn Policy has got a number of supportive resources, such as academic teams, strategies, R&D teams, curriculum development, and course offerings. We use the term "Wedding" to describe the collaboration between enterprises, schools, and research institutes. Vocational education is adapted to industrial development and the workforce. For example, we have built dedicated independent campuses, developed dedicated learning processes and curriculums, and invited outstanding industry representatives to give lectures. Most students will work in cooperative companies after graduation, so the curriculum should be aligned with the needs of these companies.

"Togetherness" means combining schools and enterprises. Our vocational high school education has shortened from five years to three years, which allows students to enter the work world early for internships. Universities offer different levels of degrees, such as second-level, third-level, and applied







degrees. This initiative combines universities, secondary schools, and vocational schools with companies. In addition, we have engaged all stakeholders in the development of vocational education, which is very important. This educational reform will continue, regardless of the COVID-19 pandemic. Vocational education should focus on the practical skills that are needed at work. Due to the pandemic, many courses are completed online and students do not have the opportunity to practice what they have learned in companies. The Indonesian MOE has been trying to reduce the loss of vocational education by conducting online courses and developing online assessment tools.

We resumed offline teaching two weeks ago, but the pandemic is not over yet. We hope to complete this transition through innovative measures such as technological feedback and impact forecasting. For example, the graduation process may be simplified during the pandemic, but the requirements for students' "hard and soft skills" and professional ethics remain the same.

As vocational education in Indonesia enters a new normal, we need to adapt to it, by means of, for example, piloting health monitoring in large companies and training teachers on online teaching. This is essential for all countries, particularly for Indonesia which is made up of more than 1,700 islands and where centralized learning is hardly possible.

Those are my views on Indonesia's vocational education policy, the method to adapt to the new normal, and the way to improve the quality of vocational education.

# Adaptability of Vocational Education in Industrial Digitization

My report centers on adaptability, and I'd like to share three points. First, digital transformation marks a new strategic starting point for enhancing the adaptability of vocational education. Since the establishment of the People's Republic of China, vocational education has gone through different stages. Now it enters a new stage after the Fifth Plenary Session of the Central Committee of CPC, especially President Xi Jinping's speech delivered on July 1. We must identify our starting point. To enhance vocational education, we must increase its adaptability to the future needs, as well as focusing on the present with an eye on the future. Second, optimizing the supply of talents is the strategic focus of our effort to enhance the adaptability of vocational education. What is the position of vocational education as China embarks on a new journey of socialist modernization in the new era? What is our major need? Third, industry-education integration is the strategic fulcrum for enhancing the adaptability of vocational education. Next, I'll elaborate on the three points.

For the first one, why is digital transformation a starting point? Since 2010, two things have driven socio-economic development: industrial reform and technological revolution. The two factors are intertwined, but they cannot be simply equated. In fact, the technological revolution has been brewing, accompanied by industrial reform, only now rising into prominence. We proposed to return to the real economy in 2010 and put forward the Made in China 2025 plan in 2015, which has accelerated our pace towards a manufacturing power. Later, a new generation of knowledge



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industries thrived in 2017. And China is expected to become a manufacturing power by 2045. This is the overall trend.

Industrial reform differs from technological revolution. Be it industrial Internet or 5G applications, they are both based on industrial information technology. The digital transformation starts from manufacturing and industry, and then expands to society. It is the starting point for enhancing the adaptability of vocational education. How to determine this starting point? First, we have to study what the industry, technology, and talent will be like in the next three to five years. It takes at least three years to cultivate a qualified professional. So talent fostering must be aligned to the needs that may arise three years later. Otherwise, we can never achieve industry-education integration. So we need to do industrial research, and then on this basis, to consider the future professions, the resources they need, their advantages, and the future ecosystem. All of these should be taken into consideration for enhancing the adaptability of vocational education.

Collaborative innovation, integration, empowerment, and factor optimization are the main features of industrial reforms in the past decade. However, technological revolution is usually disruptive, taking us to a rapid, high-end, excellent, and customized future. So the cultivation of digital talents is more important than the development of digital education technology. According to our survey, the digital change, especially in manufacturing, also has implications for vocational and undergraduate education. For example, equipment calibration, code writing, data collection, and even digital information visualization are all associated with secondary vocational education. Digital arbitration, digital system planning, and product life-cycle traceability are related to undergraduate education. Of course, digital technology is not limited to manufacturing and information. It has been widely applied in automobiles, molds, electronics, and medicine.

Second, optimizing talent supply is the focus of our effort to enhance the adaptability of vocational education. On top of the overall planning set forth in the 14th Five-Year Plan, we should focus on developing advanced industrial technology and industrial modernization. Apart from optimizing the talent supply, vocational education should also serve the national strategy. Carbon peaking and neutrality is a national strategy. The National Development and Reform Commission has just issued a technical guideline to promote carbon technology innovation, which will bring some changes to talent training. In the machinery industry, for example, there are about 10 key areas that require targeted talent training in, for example, key manufacturing technology and informatization. Although programs in software technology and software engineering have long been offered, foreign 3D digital software products take a share of more than 90% in China's manufacturing industry. Why do I seldom mention Industry 4.0? Because it is the development path of Germany, and we will never catch up with them if

choosing the same path. We should first put forward China's industrial standards and strategies, and then take another path.

Virtual simulation and experimental technology matters most since it is closely related to industrial innovation. In the arms industry, for example, some said weapons repairers are no more needed. I don't agree. This position is necessary even if only a few workers are needed, because it involves the manufacturing and repairing of firearms and light weapons. In this field, the number of single-skilled talents is decreasing, while versatile, innovative talents are in high demand, which results from the change in positions, not the demand for employees. And we always supply talents according to the demand. Employment is a major concern of China. The government has zero tolerance for slow and late employment of young people. As new jobs emerge, it remains to be seen if old ones can survive. In our survey which has lasted for nearly 10 years, two figures have remained the same. Roughly 30% of graduates left their jobs after six months, and 30% of those who stayed left three years later. Insufficient talent supply and unreasonable talent composition will become even more evident in the new round of industrial revolution.

Teachers also play a vital role. Industry-education integration is easier said than done. Teachers, including those included in MOE teacher training programs, do not speak the same language with businesses. As a result, they are reluctant to communicate with businesses.

Talent supply is a top problem. Since 2011, the share of manufacturing in the national economy has dropped from 37% to 27%. At the same time, programs in manufacturing account for less than 20% in vocational education, and the figure for 2019 is less than 15%. Who will support China to attain its strategic goal? This is the most important problem that should be solved by vocational education adaptability. Other problems concern the scale, structure (or proportion), and quality, especially competency building. This puts forward three requirements on vocational education. First, vocational schools should recognize industrial changes. Second, they should take practical actions to fulfill their mission. Third, they should adapt themselves, to fulfill their duties to the government, the people, and the students.

I want to push two things in this regard. First, mobilize organizations and enterprises to offer scholarships for three types of people, namely, students, mostly from tier 3 or lower cities and rural areas in Central and West China, who are willing to learn manufacturing, these students' high school class teachers who have a great influence on these students in applying for majors, and these students' mothers. I have been planning this for three years, and I will do as much as I can to let these students know that they are important and are needed by the manufacturing sector.







Third, industry-education integration is a strategic fulcrum for vocational education adaptability. Simply speaking, we should study vocational education systems based on industrial realities. The vocational education system is supported by several other systems, among which, industry or service as a social support system is an essential one. It also involves the aforementioned vocational education adaptability. The biggest driver is actually the socialist market economy with Chinese characteristics. In this market economy, goods must be exchanged based on demand and value. Industry-education integration and university-enterprise cooperation are closely related to each other. They are even within the same system. But, they emphasize different things. Industry-education integration is about the relationship between industrial sectors, and involves authorities including the Ministry of Education, the Ministry of Human Resources and Social Security, the Ministry of Industry and Information Technology, and the State-owned Assets Supervision and Administration Commission of the State Council. Schools cannot run without the supportive environment created by these authorities. However, university-enterprise cooperation mainly engages schools and enterprises, and how well the cooperation will go depends on the ecosystem of industry-education integration. In service areas, industry-education integration should pay more attention to national strategic goals, industrial policies, technologies, and industrial chains, including regional advantageous enterprises, industrial clusters, corporate culture and brands. Only in this way can we build a sound ecosystem. This ecosystem is complex, because enhancing adaptability is a systematic project. Most importantly, the ecosystem and the community of shared future to be mentioned must be selected, interconnected, high-quality, and sustainable with special characters. Adaptability enhancement should center around the relationship between industry and education.

Therefore, it is necessary to build a community of shared future and consolidate the support for vocational education. Innovation in vocational education is important. To arouse the enthusiasm of enterprises, we must strengthen the governance of the vocational education system and give a better play to the government and the market. Enhancing adaptability also requires environmental support, such as policy support, policy implementation and risk mitigation. Fundamentally, we must think it through before making a decision. We should promote the cultural significance of vocational education. We should learn from the past to build a future, which I think is also the purpose of this forum.

## Review of Vocational Education Reform and Development from the Perspective of Enhancing Adaptability of Vocational Education

First, I would like to express my gratitude for your attention to the 2021 Taihe Civilizations Forum. My topic at the Sub-session on Education and Culture is How We Can Enhance the Adaptability of Vocational Education.

The annual sessions of NPC and CPPCC held this March, the National Conference on Vocational Education held this April, and China's 14th Five-Year Plan all have mentioned this concept. I believe it's the right time to choose this topic for this sub-session.

First, the world today is marked by changes unseen in a century, and is hit by a once-in-a-blue-moon pandemic, derailing peaceful development in the world and bringing in instabilities and uncertainties.

Second, China has also run across various global issues, including COVID-19 pandemic, regional conflicts, climate change, ecological protection, and digital divide, on its way to the great rejuvenation of the Chinese nation and amid changes unseen in a century.

Third, China is striding toward its second centenary goal, that is, go to great lengths to build a modern socialist country, which has to be aligned with the overall educational reform and development.

At a time of revolutionary changes, all kinds of education, including vocational education, cannot develop independently. How vocational education can gain a foothold, and adapt to the internal and external



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cycles will be a major concern that we need to address in years to come.

How we can enhance the adaptability of vocational education is more of a question about how we reform vocational education prospectively than one about what we have run into the ground.

First, the foundation and essence of vocational education is: vocational education needs to adapt to the economic and social development, as well as the comprehensive development of human beings. Both involve the initiative and mutual adaptabilities of vocational education. Educational theorists and practitioners have been discussing this over the past years.

Since 2019, the Chinese government has also rolled out a number of relevant documents, policies, and measures to foster integrity and promote all-round development of people, industry-education integration, and reform of the "the reform concerning teachers, teaching materials, and teaching methods." However, how we can integrate this from the perspective of connotation and denotation to achieve the perfect compatibility still has a long way to go.

Second, regarding the reform of vocational education, we should shift from the aforementioned "passive adaptation" to "active adaptation." We need some out-of-the-box ideas for the topic of vocational education, rather than confine ourselves to the education circle.

The future talents fostered through middle and high-level vocational education and undergraduate education should not only passively participate in production and finish given tasks, but also be capable of proactively participating in the planning of their companies or departments during cultivation, so as to become real go-getters. To that end, economic experts and entrepreneurs should be invited to participate in the planning and design of vocational education system, so as to make the system truly adaptive.

Third, China is striding toward its second centenary goal, to build a modern socialist country. As the fourth industrial revolution is underway, China has kicked off a new round of industrial restructuring. For instance, the Chinese government has launched a rural revitalization strategy to boost the development of central and western China.

As for how we can enable vocational education to adapt to this, I have proposed a concept of "counter-adaptation" from another perspective. This means that China should take the initiative to consider how to better cater to the development of vocational education and meet demands for these talents during the economic and industrial development. Some industrial companies, including R&D companies, may

take the initiative to tap into lower-tier cities or even villages in central and western China, in a bid to drive rural revitalization and retain talents.

Fourth, how we can enable vocational education to adapt to internal and external cycles. First, the government should include Sino-foreign vocational education cooperation into the top-level design for international exchange and cooperation in education. Second, Sino-foreign vocational education cooperation should be included into the overall reform and development of China's vocational education. Third, cooperation measures should be customized for different countries and regions.

We should continue to introduce the advanced experience from countries and regions with developed vocational education and internalize such experience into China's vocational education system. For example, we can learn from Germany's dual-system vocational education, which is an open book in China's vocational education circle. We can delve into how a dual-system university can attune to social structural changes and the connotative development of education while fostering high-quality technical talents and skilled talents. In particular, in its educational reform, Germany applies the "permeability mechanism" throughout its education system and takes advantage of a qualifications framework and other capability measurement tools to realize unified capability recognition and conversion logic among vocational, general, and academic education. Another example is the professional qualification system and micro-credentials in the UK, Australia, and New Zealand.

We should facilitate exchange and cooperation on vocational education with countries alongside the Belt and Road. This should be done in the forms of forums, academic conferences, and field visits, so that we can probe into how vocational education can assist in social and economic development and share our successful experience we have drawn over our decades of reform and opening-up. We can also cultivate a group of vocational education teachers who have an international vision, deep insights into the Chinese culture and international rules, and professional knowledge for Belt and Road countries.

Over the past few years, China has cooperated with B&R countries on holding training sessions for technical and skilled talents of different types and levels. Some Chinese vocational colleges also set up "Luban Workshops" in Thailand and some African countries, or established local cooperative schools. So far, such cooperation and talent cultivation models have still been in a fledging period, and have yet to be included in China's national-level design.

We hope China can draw on the experience of developed countries and internalize it into the national foreign aid program to facilitate the top-level design.







# Five-Year Higher Vocational Education: Jiangsu's Practice of Enhancing the Adaptability of Vocational Education

The 14th Five-Year Plan adopted by the Fifth Plenary Session of the 19th CPC Central Committee clearly specified the national education goal as "building a high-quality education system," with a focus on "increasing investment in human capital to enhance the adaptability of technical and vocational education." The key to enhancing such adaptability is for vocational schools to supply the talents needed for socioeconomic development.

After the National Conference on Vocational Education, China went one step further and issued the policy of "supporting longer-term education in some high-skill fields where the training of professionals takes more years." As an important part of China's modern vocational education system, five-year higher vocational education is responsible for nurturing high-caliber technical talents. Jiangsu, a pioneer of five-year higher vocational education, has actually been blazing a new trail in enhancing the adaptability of technical and vocational education.

- I. Adapting to the Urgent Restructuring Needs in the Universalization of Education
- 1. Restructuring is an inevitable need of universal higher education.

Martin Trow, an American scholar, conceptualized the development of higher education into three stages, namely elite, mass, and universal systems. His theory focuses on changes. The biggest function of the



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theory is to warn people of the magnitude of challenges and demands that the higher education system will face when it reaches a certain scale.

Although China has entered the stage of universal higher education in terms of scale, a compatible structural system has yet to take shape. Due to the lack of overall structural planning and design before expansion, higher education shows structural and quality problems even as it reaches Stages Two and Three. To be more precise, the organizational and structural framework of Stage Two is still being used in the early days of Stage Three, causing imbalance and inequality in the distribution of educational resources. Such a contradiction is directly reflected in the employment rates of college graduates. As it happens, it is equally difficult to find the right jobs and the right candidates. In fact, when it comes to technical jobs, there are even more openings than applicants. For Technicians, Engineers, Senior Engineers, and High-skilled Workers, the job openings-to-applicants ratios are 2.18, 2.17, 2.12, and 2.1, respectively. Educational development, therefore, is less about expansion than adaptation. What really matters is to deliver the right types, right levels, and right structure of education.

#### 2. It is imperative to restructure the vocational education system.

China has formed the world's largest vocational education system spanning elementary, secondary, higher, and undergraduate vocational education. However, this system is neither stable nor well-structured. As a matter of fact, the proportion of junior high school graduates who enroll in secondary vocational education has fallen by the year to about 40%, whereas undergraduate vocational education remains a rounding error for all the fanfare. Moreover, secondary vocational school graduates have limited access to undergraduate vocational education, despite its lack of clear positioning, standardized curriculum, and policy support in relevant aspects.

Ideally, secondary vocational school graduates should enroll in higher vocational education, and higher vocational school students should enroll in undergraduate vocational education. But actually, it is those who scored relatively low in Zhongkao, the Senior High School Entrance Examination, that settle for secondary vocational schools, and it is those who scored relatively low in Gaokao, the National College Entrance Examination, that settle for higher vocational schools. This way, vocational education becomes a weak alternative to general education, and there is a lack of continuity between different levels of vocational education. The biggest advantage of five-year higher vocational education, therefore, lies in its ability to seamlessly integrate these different levels through consistent technical training.







# II. Adapting to the Immediate Talent Needs in Regional Socioeconomic Development

### 1. Adapting to the need for regional economic transformation and upgrading

To evaluate whether five-year higher vocational education is in line with the development needs of regional economic transformation and upgrading, we need, above all, to measure its contributions to regional economy and industries. The best thing about five-year higher vocational education is that it supplies the very talents that the region needs and can retain. Through five years of training, a typical student will have faith in his/her self and the profession. This somewhat proves that five-year higher vocational education is highly adapted to the needs for regional economic transformation and upgrading.

Five-year higher vocational school graduates are strongly competitive. For example, Jiangsu sent a delegation of secondary vocational schools to the National Competition for Skills of Vocational Education, and 80% of the medalists came from our institute. In fact, our institute has helped the Jiangsu delegation win 12 consecutive titles in this competition. We have also bagged 915 first prizes for ourselves in national competitions, and we are a consistent winner of a provincial skills competition for vocational students. Every year, over 80% of our graduates receive a Level III Technician Certificate, and over 95% find a job. What is more, 65% of our graduates find a job that matches their major, which is much higher than the percentage of three-year higher vocational school graduates. Our graduates earn more in their first jobs than those with the same level of education. About 90% of our graduates keep their employers satisfied. Survey shows that more than 80% of our students have a solid grounding, a good character, and a strong sense of social responsibility; they are also widely recognized to be physically and mentally healthy, and excellent in both professional skills and generic competencies.

#### 2. Adapting to the need for common prosperity and rural vitalization

Five-year higher vocational education has considerable social benefits. Inclusive and public-spirited, it opens its arms to rural students who had limited access to higher education. For individuals, vocational education is a way to acquire skills and make money; for society, it can reduce the marginal cost of public expenditure on education, expand the supply of high-caliber technical talents, increase the average number of years of schooling attained by the labor force, and thus improve the quality of employment. Research shows that a high proportion of students from relatively poor families have enrolled in five-year higher vocational education. Committed to nurturing high-caliber technical

talents, five-year higher vocational education plays an important, if irreplaceable, role in improving the quality of the labor force, expanding the middle-income group, and promoting common prosperity.

Five-year higher vocational education is also crucial to rural vitalization. Compared with university graduates, five-year higher vocational school graduates are more likely to take local jobs. For instance, about 300,000 graduates of our institute, i.e., 75% of the total, have taken county or village jobs in Jiangsu. Likewise, over the past five years, more than 80% of our new students were from counties or villages, and more than 70% from rural areas. Each year, over 85% of our graduates take jobs in their hometowns, and over 65% start working in the villages which they came from. Also, over 80% of our graduates go to SMEs. They are the major force that choose to stay at hometowns and make local contributions. Five-year higher vocational education has become the main channel through which full-time higher education reaches counties and villages.

### 3. Adapting to the need for building a community of shared future for schools and companies

The "community of shared future for schools and companies" emphasizes cultural and emotional connections as well as benefits of cooperation. Compared with secondary and three-year higher vocational schools, five-year higher vocational schools can undoubtedly forge more permanent and stable partnerships with companies, and these partners will work together to build a community of shared interests, shared feelings, and shared culture, one that is open and inclusive. Also, these partners will spare no effort to develop a mechanism for joint nurturing of students. Through the modern apprenticeship system, five-year higher vocational schools have achieved "four integrations": First, regional integration. With "regional socioeconomic development" front of mind, these schools have further aligned their vocational courses with key programs of local enterprises. Second, platform integration. These schools make full use of preferential education and industrial policies to build a collaboration platform. Third, educational integration. These schools make sure that each student has more than one high-profile mentor. Fourth, target integration. Longer-term education paves the way for a smooth transition from adolescence to adulthood. It also contributes to the joint nurturing of qualified students and apprentices.

## III. Adapting to the Growth Needs of High-Caliber Technical Talents

#### 1. Creating a character and capacity building mechanism

First, seeing that students come of age during their five-year stay at our institute, we have developed a model for consistent ideological and political education, and accumulated replicable experience.







Second, we keep building a formative education brand by encouraging students to make a personalized growth plan, form a number of good behavioral habits, develop a good hobby, sign up for a school-level competition or above, and participate in a type of volunteer services or innovation and entrepreneurial activities. Longer-term vocational education helps students understand what a profession is about and develop generic competencies and technical skills. Third, we evaluate the generic competencies of our students. From such aspects as knowledge, skills, and competencies, we have formulated the Implementation Plan for Comprehensive Evaluation of Students' Development, and promoted the all-round development of moral, intellectual, physical, aesthetics and labor education.

#### 2. Building well-defined, well-guided and well-structured education system

Since five-year higher vocational schools generally adopt the structural framework of three-year higher vocational schools, therefore, fail to unleash the advantages of longer-term education and fulfill the purpose of serving the locality, our institute, in line with the long cycle of professional development, pools resources to constantly promote the construction of teaching standards at the provincial and institute levels. In the first round, we established the catalog of degree programs, talent training plans, and other exclusive standards for five-year higher vocational education. In the second round, we streamlined the framework of teaching standards by integrating theory with practice and matching these standards with the long cycle of professional development. In the third round, we fleshed out and reasonably classified the standards to make sure they cover all the processes and aspects of five-year higher vocational education.

#### 3. Creating an integrated and progressive five-year curriculum

Some five-year higher vocational schools merely put together the curricula of secondary and higher vocational education to make their own curriculum system. Seeing that high-caliber technical talents typically grow in a progressive and subtle manner, our institute has designed a curriculum system integrating four modules: Basics, Platform, Specialty, and Extension. The Basics Module encompasses the general education courses for five-year higher vocational school students in Jiangsu. The Platform Module covers the general theories and skills required for the main technical jobs concerned. The Specialty Module is aligned with occupational capability standards and job-specific skills requirements. The Extension Module boosts the personalized development of students and helps meet the requirements of relevant industries for talents at different levels. Helpful for character building, knowledge acquisition, skills development, and creativity enhancement, such a curriculum system ensures a large supply of high-caliber technical talents that the region needs and can retain.

#### 4. Improving a standardized and unified mechanism for quality control and feedback

To effectively implement the teaching standards, fully monitor the teaching quality, and control the teaching processes based on actual feedback, our institute, according to the theory of total quality management (TQM), has established the quality index system, management system, and workflow of five-year higher vocational education, and used our information platform to promptly collect data about school management, degree program, and curriculum construction, teacher and student development, etc. On the principle of balancing data analysis and survey, standards and characteristics, targeted guidance and self-correction, colleges and schools concerned should take control of and evaluate the key factors of talent nurturing, and take five-year higher vocational education up a notch.







## New Policies and Measures for High-Quality Development of Vocational Education

First of all, I would like to say something about the education policies. The National Conference on Vocational Education held in April 2021 was particularly unusual. The participants were not limited to the vocational education circle, but from various ministries and commissions. The conference wasn't a very big one, but it's very important. As President Xi Jinping put it, "Steady progress should be made in developing undergraduate programs for vocational education, and building a group of top-notch vocational institutions and programs." After the construction of a modern vocational education system was first proposed in 2014, this year's conference made clearer how such a system should be built. President Xi also required the Party Committees and governments at various levels to further promote vocational education through institutional innovation, policy development, and fiscal investment.

Previously, we believed the biggest problem of vocational education was the lack of money, but now we think the real challenge may be the uneven development of vocational education in different regions. So here's the question we need to think about: What kind of institutions and policies should we develop? Chinese Premier Li Keqiang stressed that the reform of vocational education, especially the integration of secondary and higher vocational education, would be a top priority of the future. To be more precise, secondary and higher vocational education should be integrated both vertically and horizontally. Going forward, China needs to strike a



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balance between vocational education and general education, and between lifelong education and non-academic education. That's the hardest part of the reform.

Vocational education figures prominently in the "Outline of the 14th Five-Year Plan for National Economic and Social Development and the Long-Range Objectives for 2035." One of the priorities is to build a modern industrial system that integrates the following four elements: the real economy, technical innovation, modern finance, and human resources. Such a system goes beyond the concept of primary, secondary, and tertiary industries. The Outline mentioned China as a strong manufacturing power, and emerging industries, modern service industries, and modern infrastructure, among others. Likewise, vocational education needs to be innovative and modernized.

Building a high-quality education system, as mentioned in the Outline, involves enhancing the adaptability of vocational education. There's a long way to go before China could realize the mutual recognition of vocational and general education programs, and the vertical mobility of students from the two streams. For higher education to enter the stage of a universal system, the gross enrollment ratio should reach 60%. Regular higher education institutions need to be application-oriented, and each economic/industrial sector needs to pay attention to vocational education and application-oriented talent development.

According to the Outline, vocational education is covered by the "initiative to raise the quality of education and expand its capacity." In 2019, 197 higher vocational schools were included in the "high-quality list" of the National Implementation Plan for the Reform of Vocational Education. Between 2021 and 2025, the higher vocational education support campaign will involve more than 200 high-quality schools and more than 600 groups of higher degree programs. Although there is no specific number for the outstanding secondary vocational schools to be built, the standards and curriculum system of such schools should match those of high-quality higher vocational schools. Around such key areas as integrated circuits, artificial intelligence, Industrial Internet of Things (IIoT), and energy storage, China will build a number of national innovation platforms for industry-education integration and joint training bases for graduate students. Our country will also build 100 high standard, specialized, open practical training bases for industry-education integration. Whether the resources of these bases are for sharing is a key issue of capacity expansion.

A series of "double high-level" schools was selected in December 2019. We hope, by 2022, some of these schools will have developed the standards that support the high-quality development of vocational education, and by 2035, we will establish a vocational education development model with Chinese characteristics based on a complete set of policies and standards.







Regarding performance evaluation for "high-quality higher vocational schools," both educational and fiscal departments have their own evaluation systems, so we need to study how these two systems are related to each other. When designing the performance evaluation system, the fiscal department focuses on output, effectiveness, and satisfaction, and by output, I mean quantity, quality, and progress. To what extent are you satisfied with the school? A lot of people have a say on this matter. If we do not bring a third party in, how can we obtain more scientific and accurate data about the satisfaction rate? This needs to be further explored.

In the 14th Five-Year Plan, you will find the "Undergraduate Vocational Education Setting Standards (Trial)" and the "Administrative Measures for the Setting of Undergraduate Vocational Education Degree Programs (Trial)," which were released this year. Many higher vocational schools are aligning themselves with the Standards and Measures. To pass muster, however, they need to grow organically.

Also, competent departments need to put their heads together over the integration of secondary, higher, and undergraduate vocational education. The "List of Vocational Education Degree Programs (2021)" is the first-ever list to include all the degree programs for secondary, higher, and undergraduate vocational education. To make the talent development plans more scientific and structured, we need to keep the national strategy and our historical mission in mind. Since a total of 1,349 degree programs in 19 categories and 97 sub-categories were made public by the List, we need to calculate the percentage of each category of programs at the three levels of vocational education. For instance, transportation programs account for 10.8% of secondary vocational education, and 8.5% of undergraduate vocational education. We aim to analyze and understand the talent development standards and other basics of secondary, higher, and undergraduate vocational education, and how much the graduates at each of these levels are needed in the labor market. It's worth noting that the newly-added categories on the List account for 7.8%, 9.9%, and 67.6% of the three levels of vocational education, respectively. If secondary and higher vocational schools wish to offer undergraduate vocational education, what do they need to do? Can we give a clear answer to this question? Integrating these three levels helps us clarify the standards for vocational education degree programs and competencies for the future.

We have entered the era of digitization and intelligent manufacturing. The European Commission has recently released the Digital Education Action Plan (2021-2027), obviously impressed by the pace at which digital technology is changing the world. Indeed, coping with digital transformation is a key task for today's education sector.

In the future, high-quality and inclusive digital education will be a major contributor to education

modernization in our country. It will also give a big boost not only to the international competitiveness of China's education sector, but also to the relationship between different regions in our country, and between China and the rest of the world. We hope, through unremitting efforts, digital education will contribute more to the high-quality development of vocational education and the pooling of human resources in China.







## Enhancing the Adaptability of Vocational Education

Vocational education ought to adapt itself to two things: First, the actual situation of students; second, the economic, social, and technical development needs.

Here are some social phenomena and data that will set us thinking. Each year in China, about 10 million college graduates enter the labor market, and 80% of them find it irritatingly difficult to get a job. On the other hand, there are significant unmet needs for technical talents. Chinese Premier Li Keqiang mentioned that by 2025, the demand gap of skilled workers would have reached 30 million in China, indicating a serious skills mismatch in the labor market. Still, vocational education is not highly regarded in our society, if anything, it's the last resort of helpless parents and students.

In recent years, China has done a lot to promote innovation in the development of vocational education. According to a report of the World Economic Forum, some indices show that China is leading the world in promoting the development of innovation capacity, but its ranking remains unimpressive as to the competitiveness of vocational education. The reasons are at least two-fold: First, China's macroeconomic policies in favor of innovative development are generally recognized; second, since China has already been No.1 in the world by the scale of vocational education, the lack of competitiveness has more to do with quality than quantity. In other words, vocational education has not been fully adapted to the immediate needs of our country.



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Currently, we are going through the Fourth Industrial Revolution. Douglass Cecil North, a Nobel Prize winner in Economic Sciences, said that it's less a technological revolution than an institutional revolution. Technological progress and industrial upgrading involve a lot of things, such as industrial structure, career development, general education, and vocational education. Without making corresponding changes, vocational education wouldn't be able to meet the requirements of social development. According to the Implementation Plan for the National Vocational Education Reform, the State Council has launched the piloting of the "1+X" skills certificate. The Plan lays stress on the development of generic competencies needed for vocational activities and career development. What are generic competencies? To answer this question, we need to look no further than the WorldSkills Competition. Generally, WorldSkills Test Projects will be made public six months in advance, but they are subject to 30% change in terms of their content and requirements undertaken at the Competition. Some events may include mystery modules or unknown equipment. These rules not only place high demands on professional knowledge, skills, and techniques, but also require strong learning ability, adaptability, and innovation capacity. WorldSkills represents a humanistic view of technology; that is, technology should be designed and used based on social values.

According to our self-developed COMET-based generic competencies evaluation plan, generic competencies are divided into three levels. The lowest level is functional competency (e.g. operational skills and basic knowledge required for the job). The second level is process competency, i.e., the ability to increase the practical value of work based on economic considerations, and understand the production and business processes of the company. The highest level is holistic design competency, i.e., the ability to integrate innovation, CSR, and environmental protection in the pursuit of comprehensive and sustainable development. COMET-based international studies show a gap in generic competencies between Chinese higher vocational school students and those from similar schools in Switzerland. Although Chinese students are not lagging behind in professional knowledge and skills, their innovation capacity and senses of social responsibility are clearly at a disadvantage, regardless of which part of the country they came from and which level of vocational schools they are studying at. This indicates that Chinese vocational education has a systematic deviation or structural deficiency compared to that of Switzerland. In other words, our curriculum model is still dominated by disciplines. The biggest problem with a discipline-based curriculum model is that it does little to help students comprehensively understand the world of work. Moreover, vocational school students are typically neither used to nor good at learning abstract theories.

As Chen Ziji, Director of the Department of Vocational and Adult Education at the Ministry of Education, put it, "The biggest difference between vocational education and general education is that general education puts theory before practice, while vocational education puts practice before







theory." This pretty much speaks to the difference between vocational education in China and Germany. Currently, China's mainstream model of vocational education still goes this way: Finish the basic cultural and specialized courses first, and then study the advanced specialized courses. In Germany, however, basic specialized courses start on Day One, while cultural courses extend till the end of education. Germans believe that basic vocational courses are an important part of cultural grounding. These courses can help students learn more about career and work, so they are as important as Science and Engineering courses which we usually focus on.

The famous German educator Georg Kerschensteiner saw vocational education as the key to civic education, and vocational schools as the ideal educational institutions. Eduard Spranger, another German educator, believed that occupation is the medium of culture and education, and the only path to a higher level of general education. Such an idea may be the cornerstone of the German edifice of vocational education. However, the nurturing role of vocational education is often neglected in China. In a study based on PISA data, Liu Yunbo, a young scholar at Beijing Normal University, found that vocational school students have significantly higher non-cognitive abilities than students in the same grade who are taking general education courses. As a matter of fact, the non-cognitive ability is a major indicator of generic competencies. Vocational education, therefore, is not second-rate education; instead, it can also effectively improve adolescents' generic competencies and prepare them for a bright future. The most important thing is to provide vocational school students with a suitable learning model, one that is less theoretical and more practical, and based on professional skills rather than disciplines.

Vocational education is generally believed to be the type of education that is most closely integrated with economic development. Just as we are advancing towards Industry 4.0, vocational courses are entering the fourth development stage. China's development is uneven. Most domestic companies are transitioning from Industry 2.0 to Industry 3.0; a rare few have made it to Industry 3.0 or are exploring Industry 4.0. In view of this, vocational schools can provide job skills training courses a la Ralph W. Tyler, or generic competencies training courses that meet the needs of Industry 3.0. Courses for Industry 4.0 are still in the works. But one thing is for sure: we must develop a new concept of digital learning. At present, the basic principle of developing digital teaching resources is a carry-over from the Web 1.0 period. It focuses on the knowledge transfer functions of information technology, such as explaining new knowledge, motivating learning by demonstrating a complex operation process, and reducing learning difficulty. By contrast, the preferred digital teaching resources for Curriculum 4.0 are not the software that displays "factual knowledge," but the open and integrated education system that offers both students and teachers the opportunity and room for knowledge building, and emphasizes more effective human-computer conversation and interaction. Curriculum 4.0 requires a more

comprehensive understanding of technologies. We need to know that technologies are not just objective facts and operational tools, but the converging point of technological possibilities and social goals. Also, resource developers should follow social norms, cultural traditions, universal values, laws, and regulations, etc.

In general, to meet the requirements of modern technological, social and economic development, vocation schools should help students foster generic competencies, i.e., the competencies required for their future jobs and lifelong self-development. An important feature of future vocational education is being "design-oriented." Instead of merely adapting themselves to technological development, students are expected to proactively engage in designing future technologies and society, and in the meantime, learn to be independent, confident, and responsible.







## Keynote Speeches at the Sub-session on Youth Dialogue

# The Role of Climate in the Future of Work and Youth Impact

The Sustainable Development Goals are introduced, initiated and organized by the United Nations. There are a few keyword numbers that you want to remember. 2030, 17, 3, and 169. So 2030 is the deadline for the Sustainable Development Goals, which consist of 17 goals that all nations within the UN body framework would like to ideally accomplish by 2030. The 17 goals include really wellknown agendas such as hunger, poverty, climate change, and biodiversity. And it is guided by 169 indicators, which are little KPIs in a sense that each country would have a clear benchmark on whether or not they're successful in that Sustainable Development Goals. And the 17 sustainable development goals are divided into 3 categories. They are "E" for environment, "S" for social and "G" for governance, as the 13th goal of the Sustainable Development Goals, climate change is a goal that will interconnect all of the Sustainable Development Goals, including gender, biodiversity, energy and life on land, and life below water.

Climate change is defined as human activities caused greenhouse gas emissions. So as Goal 13 of the Sustainable Development Goals, Climate change is the goal that interconnects with all of the goals. Climate change is the global warming and extreme weather events caused by human activities of fossil fuel burning and deforestation



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since the Industrial Revolution.

It will produce greenhouse gases, like carbon dioxide, which causes temperature rises since the Industrial Revolution to 1 degree or even 3 degrees, according to the most recent IPCC report.

The temperature rise within this industrial revolution period, it's like a blanket when you sleep. you can't sleep without a blanket, or else you will catch a fever. But you can also not sleep if the blanket is too thick.

So our goal is to limit the temperature within 1.5 or 2 degrees, to make sure that we can sleep at night. As the largest developing nation and the second biggest economy in the world, China is doing a lot in climate change. China has the largest solar panel installation in the world. And it has also pledged to achieve carbon peak by 2030 and carbon neutrality by 2060.

So how might climate change shape the future of work? Personally, I think there are three key stakeholders in everyone's life. They are policy-makers, the institution you belong to, and you yourself. In terms of policy-makers, they will aggressively introduce ambitious climate policies that will shape a country's emission trajectory.

For example, the European Union has introduced the carbon emissions adjustment tax. This tax will tax corporates based on how much you emit, instead of how much money you make, The institution you belong to would then have to introduce green policies and strategies to cope with the policies introduced and to also meet the demands of consumers, which are individuals, like me and yourself.

Personally, I think youth will play a very important role in terms of policy shaping and of climate change. Personal actions will paint the world you want to live in, from the things you buy to the things you eat, and the way you travel.

For climate, for those who share it, and for those who inherit it.







# The Future of Work and the Impact of Internet Technology on Entrepreneurs in China

My name is Jonas Wolf. I'm from Germany. I started my career in Germany, then moved to the states. Back to Germany started my first entrepreneurial venture there, and I spent the last four and half years here in China.

I am an entrepreneur mentor and leadership coach, and absolutely love running start-up and impact competitions, for example, hackathons and ideathons. The biggest highlight for me to be here as an entrepreneur is the massive amount of talent and opportunities that we are finding here in China. And in terms of challenges, there's always uncertainty. I think every entrepreneur faces it. However, here in China as a foreigner, my Chinese is okay, but not amazing. The language barrier, for sure, is an additional obstacle.

And beyond, I am a such huge fan of Chinese culture of the way people interact. There's always something for me to learn. And I think this is a big part of the startup culture and experience here.

The people are so driven and the competition is so tough. So it's even more important to iterate fast and change, adopt, and evolve. I first moved to Hong Kong in 2015 and then to Beijing in 2016. Since moving to Beijing, I've been running easily over 100 start-up related events here.

I've been extremely lucky to work with an array of startups, probably 20 to 30 at different startups that I've worked with intensively, either



Jonas Wolf

Founder of

LeaDAOship

as a full time staff, a consultant, a mentor, or a coach. And that has been really rewarding because every team has different challenges they are facing in different market stages and market areas.

That's really one of the most rewarding things that I have experienced in my life. And in terms of the events we are running, it ranges from startup grind events where we invite founders, entrepreneurs to share about their path, their journeys to ideathons and hackathons, where we invite young people to become change-makers, to take on either corporate challenges or challenges society or environment faces.

We create solutions to solve those problems in a short amount of time. Afterwards, we invited the best teams to join the AngelHack accelerator. I had the pleasure to take several teams from China to San Francisco to the accelerator program and be a part of their journey. We see a lot of companies in the states and also some in Europe embraced things like remote work or some people call it WFA, "work from anywhere," even before the COVID-19 hit.

This kind of policies are yet not as popular here, as I see the notion of we all need to be in the same office, we all need to work from 9 am to 10 or 11 pm, maybe even sometimes 6 days per week, versus in other places, even in startups, where everybody faces a lot of pressure. Their smallest attitude of achieve your KPI is: Get things done versus the amount of time you spend in a physical location. That's quite a big differentiator.

But I feel once people are getting to see and experience its advantages, for example, more time for hobbies, travels, spending time with families, then they will really appreciate it. If people don't have to go to office every day, then they can choose to live in the outskirts where are closer to nature and kids can experience a different lifestyle, different way of growing up. Or they can even spend a month in a mountain village. These days we are really empowered, especially here in China with super fast Internet. Pretty much every where you go, there is 4G or 5G coverage.

And people sometimes ask me, "Jonas, why you travel so much?" and I say, "Well, I just work from different places, it doesn't change much for me." My point is, the Chinese companies should also adopt more to the future of work as Chinese companies are going more and more global, especially when companies expand and need to lease a huge office in San Francisco or New York or Paris. These costs are huge. But now you have co-working spaces and people can lease on demand. It's more flexible. You can rent a smaller place and people work from home, but then you can also bring people together at retreats and meeting spaces. So I see this as a huge opportunity to decrease costs and risks for Chinese companies going global. I hope to contribute to that and be involved in a way or another.







I think it's absolutely important for global entrepreneurs and actually pretty much anybody to come and see and experience China. Number one, there are so many stereotypes about China that I think are simply wrong and people should come and see for themselves. As the role of China, Chinese people, Chinese economy and Chinese politics is getting more and more important, pretty much all around the world. Secondly, the Chinese tech is evolving at an extremely fast pace. So for global entrepreneurs, it's extremely interesting to come here, to be here, to see, experience, feel and use the apps and the ecosystems. There's a lot of people who argue that there are two internet ecosystems around the world: There is China, and there's the rest of the world. So by now, there are a lot of global entrepreneurs copying from the Chinese super apps. For example, Meituan app, where you can do so many things. If you go to southeast Asia, or Africa, or Latin America, a lot of the apps being developed there, more actually resemble Chinese super apps than they resemble some of their western counterparts, which are way more limited in scope and functionality. And that also reflects back to the first point about the importance of China. Chinese tech is just growing. And yet people are not here. They are simply massively missing out not only an opportunity but also in particular about learning and growing.

And the last point worth mentioning is all about understanding of people of different societies, and that China is obviously the world's most populous country. If people don't understand what's going on here, and also understand different parts of China, not only the metropolises, Beijing, Shanghai, Shenzhen, and so on, but also other parts of China, then people would really miss out on a key part, what's going on in the world. It's really important for understanding, and even beyond, for long-term world peace for people to understand China, what's going on here. I think there's a lot of opportunities. These days, we see the Internet and social media and global communication are really empowering us to collaborate.

With COVID-19 pandemic and all the remote collaboration tools that have been emerging, even before the pandemic, we can see that we have all the tools at our fingertips. We can host anything from grassroots to 100,000 people attending conferences online, making it actually accessible. Before, a lot was about "this is invite only" or some people cannot afford the plane ticket, so it's automatically that they are ruled out to participate or try to learn. But now with live streams and online remote participation opportunities, we really laid the groundwork for more collaboration opportunities. I also think the youth maybe understand or is closer to some of the issues that we are facing, like climate change, or other really super relevant topics.

Number one, find your way to come here. Sometimes there are obstacles. However, it's perfect to overcome them. Number two, I think it's really important to find more local friends and really get to

know China. When people move abroad, it's really easy to get into so called "expat bubbles." And number three, find a mentor, can be anybody, but somebody who knows the place where you want to go, or the industry where you go really well. It can be somebody the same age, who has been here or there longer or somebody might be even older, 10 years, 20 years, 30 years, than yourself. I had privilege to meet several people in all kind of age categories and lots of different nationalities, who really helped me a lot along my journey here in China. Number four, it's of course difficult to learn Chinese and I think it's also really rewarding because when we learn the language, we can understand the people and the culture better. Come with an open mind and open heart. Because often we come with preconceptions or stereotypes in our mind. It's really important to just open up and accept the differences that are there in different places and embrace it.

I cannot imagine a different place in the world where I could learn more at this stage of my life. So I'm really grateful for that and I hope more young people, leaders and entrepreneurs, embrace this opportunity. Come here to learn, create and co-create, and make China and the world a better place.







## Keynote Speeches at the Seminar on Sino-U.S. Relations of the Sub-session on International Relations



Chen Hu
Senior Fellow of Taihe Institute
Editor-in-chief of World Military
(2006-2019)

When addressing Sino-U.S. ties, both the U.S. and China need "guardrails." What "guardrails" does China need? It's a bottom line for America. China welcomes competition as long as it doesn't violate the bottom line. Otherwise, China will definitely strike back.



Chen Zheng

Fellow of Taihe Institute, Lecturer at the Academy of Regional and Global Governance of Beijing Foreign Studies University As the 2022 midterms approach, the window left for China and the U.S. to improve their relations gets narrower. Therefore, the bilateral relationship may remain unpromising.



Cui Liru

President of China Institutes
of Contemporary International
Relations (2005-2013)

Predictably, as long as decision-makers in Washington hold on to mainstream views about the evolution of international relations and China's peaceful rise, and the Biden administration remains to be constrained by the upcoming elections in 2022 and 2024, U.S. policy on China will be fraught with challenges. The prevailing state of Sino-U.S. relations will be the norm in the coming years.



Guo Changlin
Senior Fellow of Taihe Institute

How would Sino-U.S. relations evolve? I suggest that China should not set high expectations. However, there is still hope for improvement, which can be achieved through people-to-people ties, economic and trade relations, and exchanges among experts and scholars who can bridge Sino-U.S. relations. This hope is a form of strength. So let us rebuild the bridge that connects China and the United States.



Cliff Kupchan
Chairman of Eurasia Group

The national strength of China and the United States far exceeds that of the others in the world. Actions toward achieving "external balance" such as forming alliances are not as transparent, reliable, and predictable as the steps taken to ensure "internal balance." Bi-polarity is more stable than multi-polarity. China and the U.S. can focus on each other, rather than on other third-party countries.









Li Cheng
Director of the John L. Thornton
China Center and Senior Fellow in the
Foreign Policy Program at Brookings
Institution

The middle class is a potential stabilizing force in Sino-U.S. relations. People-to-people exchanges can help enhance mutual understanding between the middle-class in China and in the U.S. They can help avoid mutual "demonization" and misunderstanding, enhance empathy, and encourage both countries to abandon the zero-sum mindset and respect each other's ambitions and interests.



Lou Xiaoqi

President and Editor-in-Chief of the Civilization,

Founder and Executive President of the Capital Civilizational Development

For society to transcend itself, it must share, spread and synthesize civilizational values and narratives. This is what we called the dialog of civilizations and cultural integration.



Stephen Orlins
President of the National
Committee on United StatesChina Relations

Many of the problems that lead to conflict between China and the U.S. cannot be easily solved, not to mention the sensitive political issues facing the two countries. Only by taking incremental, specific, realistic, and sometimes unilateral measures can the two re-establish trust. This is best captured in the saying, "A journey of a thousand miles cannot be achieved without the accumulation of each single step, just as an enormous ocean cannot be formed without gathering every brook or stream."



Qian Feng
Senior Fellow of Taihe Institute,
Director of Research Department
of National Strategy Institute at

Tsinghua University

With the grand alliance, the U.S. indeed no longer stands alone in countering China. It is politically correct to the U.S. and conforms to its traditional diplomatic philosophy since World War II. However, it is easier said than done. The U.S. can no longer assert dominance over the world as before, and China is no longer what it was. Biden's ideological struggle goes against the global trend, and the security alliance is also inherently deficient.



Susan Thornton
Senior Fellow at Paul Tsai China

Center at Yale Law School

At present, China and the United States should strive to arrange a meeting between its leaders. This will help ease tensions and promote cooperation between the two countries. In particular, China and the United States should strengthen cooperation in response to the pandemic and climate change, and strive to avoid possible negative spillover effects caused by technological competition. It is believed that the leaders of China and the United States can make responsible choices on issues of bilateral relations and global cooperation.



Wang Wen
Executive Dean of Chongyang
Institute for Financial Studies and
Vice President of Silk Road School at

Renmin University of China

China and the United States should not compete mainly through military means as they did in the 18th and 19th centuries. Competition needs to be conducted in a more civilized and progressive manner. Both countries should compete to solve the world's development dilemma, to cope with the global climate change, and to promote worldwide technological innovation. In short, China and the United States should compete to make the world a better place.









Wang Xiangsui
Senior Fellow of Taihe Institute,
Director of the Center for Strategic

Studies of Beihang University

Both China and the U.S. recognize that they are in a competitive relationship, but neither acknowledges nor believes that their competition aims to completely eliminate the other side.

Seeking "competitive co-existence" is the basis for healthy competition between China and the U.S. To this end, both sides must ensure that the other's intention is not hostile, recognize the legitimacy of each other's values and interests, compete in a constructive way, and more importantly, adhere to non-violence.



Wang Zaibang
Senior Fellow of Taihe Institute
Well-known Expert on International
Issues and World Economic Issues

As time goes by, Sino-U.S. relations might see new changes. Hegemony never ends well, which has been proved in history. It will inevitably lead to a country's doom.



Wu Hailong
President of China Public
Diplomacy Association

The current state of Sino-U.S. relations can be attributed to America's flawed judgment about China. The U.S. should change its attitude toward China if the two want to improve their bilateral relations and avoid conflict and confrontations. Washington should adopt an objective and practical attitude toward China's development. It should reexamine Sino-U.S. relations, and re-evaluate the interests of both countries. And it should readjust its China policy.



Zhou Bo
Senior Fellow at Center for
International Security and Strategy
at Tsinghua University

The dialogue between the Chinese and the American navy forces was beneficial. However, the outcome was not significant. In October 2020, the Defense Department of China and the U.S. discussed the issue of crisis management through a video conference, which is worthy of recognition. In 2014, 2015, and 2016, Chinese and the American navies held joint maritime trainings. Such engagements should continue in the future.



Zhu Yunhan
Professor of Political Science at
Taiwan University

If China and the U.S. had teamed up and formed a global effort with other countries, the pandemic would have already been put under control. Such issues also include the North Korea issue, anti-terrorism, and the post-war reconstruction in Afghanistan. However, Biden's diplomatic team has not shown any courage to cooperate with China on these issues. Overall, I'm not optimistic about the future of Sino-U.S. relations.







### Keynote Speeches at the Seminar on Sino-EU Relations of the Sub-session on International Relations



H.E. Ahcene Boukhelfa
Ambassador of Algeria to China
(2016-2021)

The world needs China as an active participant in international affairs, with its commitment to uphold the values of international relations and ensure that these relations are more balanced and diverse.



Sven Biscop

Director of the Europe in the World Programme at the Egmont–Royal Institute for International Relations, Professor at Ghent University China and the EU must abandon their prejudices and misconceptions. They should not regard each other as rivals who compete to become the world's political leader. Rather, they should distinguish between hostility and competition, the former being malicious and deliberate, while the latter is inevitable as long as each side strives to safeguard their own legitimate rights.



H.E. Nicolas Chapuis

Ambassador of the European

Union to China

Is the EU against the rise of China? I don't think so. On the contrary, the EU is for the rise of China because China's modernization and prosperity are vital to global economic growth.



Ding Yifan
Senior Fellow of Taihe Institute

If today's Europe, like the Pope in the early years of the Qing Dynasty, seeks to transform China's traditional culture and social governance model, then engagement between China and Europe would be in a deadlock as in the past. This undermines future cultural exchanges and mutual learning between the two sides.



H.E. Wim Geerts

Ambassador of the Netherlands
to China

The driving force for Sino-EU relations remains strong. Despite many challenges, China and the EU remain important partners to each other and the international community. The Sino-EU cooperative relationship is vital to the common prosperity of both sides and in the face of global challenges.









Alexander Kulitz

Member of the German Bundestag (2017-2021) We hope to build mutual understanding in our cultural communication and people-to-people exchanges to strengthen Sino-German relations and Sino-EU relations in the future.



Alexander Lukin

Director of Center for East Asian and SCO Studies at Moscow State Institute of International Relations of the Russian Ministry of Foreign Affairs To keep the multipolar system stable, the rules must be genuinely "international." In other words, they should be acceptable to every major player in world affairs.



Li Ruiyu

Member of the Committee on Foreign Affairs of Chinese People's Political Consultative Conference,

Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Republic of Italy and the Republic of San Marino (2013-2019) China and the EU need to view the development of Sino-EU relations from a strategic perspective, actively promote long-term ties between China and the EU, resolve contradictions and differences, and jointly respond to various global challenges.



Ma Keging

Executive Vice Chair of China National Committee for Pacific Economic Cooperation, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Czech Republic (2014-2018) Sino-EU relations are of great importance to both the two sides and the world. Both should learn from the historical development of Sino-EU relations, cherish their original aspirations, enhance mutual understanding, and promote Sino-EU relations with strategic consideration and a big picture in mind, thus ensuring a stable and sustainable development of Sino-EU relations.



Men Jing

Senior Fellow of Taihe Institute, Distinguished Professor at School of Advanced International and Area Studies of East China Normal University The EU's hard-line policies toward China cannot be simply deemed a result of the pressure from the U.S. The EU is looking to get closer to the U.S. and therefore, exerting pressure on China is in the interests of both the U.S. and itself.



Sun Yongfu

Senior Fellow of Taihe Institute, Director of European Affairs Department of Ministry of Commerce (2003-2015) The current state of Sino-EU bilateral relations is at a low level since the establishment of formal diplomatic relations, and the China-EU Comprehensive Agreement on Investment has been suspended. However, darkness will eventually disappear, and soon the dawn will come. Bilateral economic trade has grown despite the economic recession in the past year, which shows that pragmatic cooperation between China and the EU has a solid foundation and win-win cooperation is still the goal of bilateral relations.









Wu Hailong
President of China Public
Diplomacy Association

The current status of Sino-EU relations is mainly influenced by Europe's closeness with the United States in terms of China policy. China does not consider Europe as its opponent, and China does not wish for Europe to treat it as an opponent. Now, more than ever, the world needs more partners than opponents. China has been, is now, and will always be a partner of Europe. If Europe decides to treat China as an equal partner, Sino-EU relations will have great potential in the future.



Zheng Ruolin Senior Fellow of Taihe Institute, Senior Journalist of Wen Wei Po

The EU is dominated by transnational monopolies and financial capital. Their major conflict is rooted in the U.S. and its own far-right politics rather than China. The major obstacle faced by multinational monopolies and international financial firms that currently dominate the EU is not China, but the U.S. and the far-right political forces within the EU.

## Keynote Speeches at the Sub-session on Economy and Technology



Ding Yifan
Senior Fellow of Taihe Institute

Compared with other industrialized countries, China's carbon emission reduction task is heavier, while the time set to achieve the task is shorter. In recent years, China has made great progress in the promotion of new energy and sustainable development models. Only by implementing the green development model faster can we seize new technological heights in the world economy and achieve high-quality development.



H.E. Awale Ali Kullane

Ambassador of Somalia to China

The system for global climate governance should be strengthened so as to benefit least-developed countries. The most developed countries must lead global cooperation in providing an idea-exchange platform for global decision-makers, stakeholders, and the scientific community.









Li Weibin

Senior Fellow of Taihe Institute,

Adviser and Chief Economist of China

Development Bank (2011-2013)

Carbon finance involves a wide range of financial tools, including investments, credit, bonds, leasing, insurances and funds. We must adopt proactive measures, think ahead, and explore the optimal combinations of these tools.



Li Junfeng
First Director of National Center for Climate

Change Strategy and International Cooperation Executive Director of China Engegy Research Society Carbon neutrality is an inevitable trend. Countries, regions, cities, and enterprises have come to realize that they cannot become an island while the rest of the world is striving to achieve carbon neutrality. We can achieve a carbon-neutral future only if we face challenges head-on.



Lu Peili

Fellow of Taihe Institute, Researcher at the Shanghai Jiao Tong Antai College of Economics and Management (ACEM), Frequent Guest Lecturer at China Financial Futures Exchange China needs to design its own international carbon pricing index. Data is vital to reducing carbon emissions. Carbon data is what powers the carbon algorithm, just like water is to a boat. The carbon trading market highlights the role of the industry on the international trade stage. We must promote carbon finance.



H.E. Djauhari Oratmangun

Ambassador of the Republic of
Indonesia to China

In terms of carbon peak and neutrality, China and Indonesia have common aspirations and capacities that complement each other. Indonesia and China have cooperated with each other extensively, from investment, construction, operations to technology, knowledge transfer, and human resources development. Indonesia and China are well-poised to cooperate on renewable energy as well.



Pan Benfeng

Deputy Director of Hebei Advanced Environmental Protection Industry Innovation Center,

Deputy Director of Joint Engineering Research Center of Ecological Environment Internet of Things and Big Data China needs to step up its efforts in basic research on emissions monitoring and evaluation, which will provide a reliable evidence base to fulfill its carbon peak and neutrality pledges by 2030 and 2060, respectively.



Sun Tianyin

Deputy Director of Research Center for Green Finance Development of Tsinghua University The carbon neutrality pledge shows China's responsibility as a major country and is necessary for China to gain the upper hand in future global economic competition. There are both opportunities and challenges on the path to achieving carbon neutrality. We must resort to orderly transformation.









Sun Yongfu
Senior Fellow of Taihe Institute,
Director of European Affairs
Department of Ministry of
Commerce (2003-2015)

To realize the carbon peak and neutrality pledge, China needs a systemic transformation of its social economy. The country enjoys technological advantages in several fields. However, the achievement of the carbon pledge still has a long way to go and requires the participation and support of people from all walks of life.



Wu Hailong
President of China Public
Diplomacy Association

Carbon peak and neutrality are difficult but crucial tasks in addressing climate change. But with so little time left for our generation and the next, we must never hesitate to do our part. To achieve commitments in the carbon pledge, we need a big-picture mindset, confidence and determination, and the motivation to work relentlessly toward our shared goals.

#### **Keynote Speeches** at the Sub-session on Education and Culture



Chen Lixiang

Vice President of the Chinese Society for Technical and Vocational Education, Former Party Secretary of the China Employment Training Technical Instruction Center

Technological changes have created opportunities for members of society to obtain knowledge in more convenient ways. In-school education is no longer the main pathway to obtain knowledge and skills. Deep learning technology, for example, has led to a very obvious change in the field of employment. Smart tools, human wisdom, and human thinking are rapidly forming a synergistic partnership. This is a historical change.



Chen Liwen

Deputy Secretary-General of the Xiangtan Municipal Committee; Former Director of Xiangtan Municipal Bureau of Education

Enhancing the adaptability of vocational education is an important starting point, but entails expertise and investment. Now that China has entered a high level of economic and social development, we must enhance the adaptability of vocational education. At the same time, developing human resources is also a manifestation of value. It is an important indicator of the governance of education system, modernization of capabilities, and the development of new learning models.









#### Chen Xiaoming

Director of Machinery Industry Education
Development Center;
Director of Education and Training Department
of China Machinery Industry Federation

Enhancing the adaptability of vocational education is a new strategic digital transformation, a strategic focus of optimizing talent supply, and a strategic pillar of realizing the integration of production and education. This requires a strong ecosystem characterized by coordination, pragmatism, optimization, specialization, responsiveness and sustainability.



Fang Xiao

Research Fellow of the Changjiang Education Research Institute, Research Fellow of the National Institute for Educational Governance in Central China Normal University We should guide enterprises, communities, and universities in pursuing sustainability, flexibility, harmonious partnership, streamlined process, and well-defined power and responsibility in vocational and technical education, by construing relevant laws and specifying each party's rights and obligations.



Gao Hong

Former Deputy Director of the Liaoning
Education Research Institute;
Executive Vice President of Liaoning Vocational
and Technical Education Association

Among the education chain, talent chain, industry chain and innovation chain, the education chain is often at the dominant position. However, I think it is the industry chain that should be prioritized. When talking about the integration of production and education, we need to realize that industries are the upper stream that creates jobs, and that education is the lower stream that ensures certain specialized talent can fill the job vacancies. This way, we can realize the ultimate integration of production and education.



Gao Yang
Associate Professor of Tianjin
City Vocational College

Educational quality evaluation is not designed for the year-end assessment of teachers. Instead, it is part of a closed-loop evaluation system that targets the whole educational process. It facilitates timely feedback and improvement to continuously optimize the learning environment and educational quality.



Guo Yanfeng
President of Beijing Jinsong
Vocantional High School

Productivity is determined by the relations of production. Research shows that China's total agricultural output in 1984 grew by more than 61% compared with that in 1978, and nearly half of the increase resulted from the household responsibility system. Likewise, to improve vocational education and address its deep-rooted issues, we still need plenty of research on relevant theories, policies, and systems.



He Xingyue
Professor and President of
Zhejiang Institute of Mechanical
and Electrical Engineering

Personally, I think that when we talk about enhancing the adaptability of vocational education, we should start from enhancing the adaptability of teachers. Only by doing so can we guarantee the compatibility of courses and curricula, and therefore enable us to train students to become adaptable to society.









Liu Jiantong

Executive Vice President and SecretaryGeneral of the Chinese Society for
Technical and Vocational Education

To understand adaptability, one should first understand structure and function. This is an era in which everything needs to be merged and integrated. Vocational education involves both productivity and production. From the perspective of productivity, we should adapt to technological and economic changes. From the perspective of production, we should adapt to changes in both the education sector and society as a whole.



Liu Jinghui

Senior Fellow of Taihe Institute

Secretary-General of China Scholarship Council (2008-2017)

Minister-Counselor for the Education at the Chinese Embassy in Germany (2001-2008)

Secretary-General and Deputy Director of the Central Institute for Vocational and Technical Education (1990-2001)

As an important part and a special type of the educational system, vocational education should also take on the mission to promote the all-round development of students and cultivate skilled workers to support socio-economic development. The government must introduce sounder policies for the reform and development of vocational education, making it adaptable to the present, the future and the whole world.



Liu Keyong

Deputy Secretary of the Party

Committee and President of

Jiangsu Union Technical Institute

To assess whether the five-year higher vocational education is in line with regional economic transformation and development, we should expect realistic outcomes from such an educational system. The most obvious advantage of this educational system is the cultivation of stable and skilled talent pool.



Liu Yipei
President of Polus International
College

The scarcity of quality teachers is a common challenge facing all vocational schools, especially private schools. A more sound and efficient teacher mobility mechanism must be put in place for these schools.



Liu Yiguo
Director of the Curriculum and Teaching Research
Center at the Central Institute for Vocational and
Technical Education;
Secretary-General of Research Center for
Quality Development of Vocational Colleges and
Universities;

Doctorate of Education

A high quality education system must be one in which teachers are fully engaged: they understand the reform initiatives and can apply them to the curriculum. How can teachers arouse students' enthusiasm for learning if they themselves do not love teaching?



Lu Chunyang

Deputy Director of National E-commerce Vocational Education Teaching Guidance Committee; Director of the Institute for Professional Ethics at the Center for Ethics and Moral Construction of Renmin University of China Both large enterprises and SMEs have a role to play in school-enterprise cooperation.









Ma Yansheng
Senior Fellow of Taihe Institute,
Minister-Counselor for Education
at the Chinese Embassy in France

(2013-2017)

The cultivation of international professionals relies on the improvement of international vocational education, which is not attainable without international cooperation and exchange. For vocational schools, the purpose of international cooperation and exchange is to better serve the development of globally competitive talents.



Song Kai

Vice Director of Nonferrous Metals
Industry Talent Center, SecretaryGeneral of National Nonferrous Metals
Vocational Education and Teaching
Guidance Committee

Vocational education is not only a building block of the educational system, but also a part of international service trade. China's vocational education is more competitive than its undergraduate and basic education in international education service and trade.



Sun Cheng
Research Fellow of the National
Institute of Education Sciences

In the future, providing high-quality or inclusive digital education will be a great boost for China's educational modernization, and will improve the country's international competitiveness in education. It also serves as an important strategy to strengthen international relations, relations between China and different countries, and relations among various regions in China.



Tang Yizhi
Director of Chinese Vocational and
Technical Education at the Central
Institute for Vocational and Technical
Education of Ministry of Education

Chinese vocational education is built on vocational school training. Vocational schools do provide basic, systemic, comprehensive and long-term education to students. But as technology continues to advance rapidly, production methods, labor standards, lifestyles, and therefore, social structures also change. The vocational school system is beginning to show an inability to adapt, especially when it comes to training specialized and adaptable skills. Thus, we need to reform our vocational education system. For example, the "1+X" Certificate is a new qualification tailored to enhance the adaptability of skills.



Wang Chunyan
Research Fellow of Beijing
Academy of Educational Sciences

Vocational education should shift from the model that mainly focuses on professional and vocational competencies to the one that aims at nurturing students' development competencies as well. Specifically, it should be adapted to the changing needs of relevant positions and technical fields for professionals at all levels during industrial development.



Yang Po
Tenured Associated Professor and Chair of Department of Economics of Education and Administration at the Graduate School of Education of Peking University

In my opinion, international cooperation in vocational education has three major goals: to improve the soft power of Chinese education, to expand the circle of friends worldwide, and most importantly, to contribute to international public education products.









Yu Yougen

Deputy Secretary-General of the
China Education Association for
International Exchange

The COVID-19 pandemic provides us an opportunity to reflect upon the meaning of international education. As a result, we now engage in deeper and more practical international exchanges on vocational education.



Zhao Zhiqun

Professor of Department of Education at Beijing
Normal University,
Member of the National Vocational Education
Guidance Advisory Committee,
Member of the Expert Advisory Committee of the

Ministry of Human Resources and Social Security

Design orientation will be one of the biggest features of modern and adaptable vocational education. Students should not simply adapt to the development of technology, but rather participate in the design of the future development of social technology. They should be independent, confident, and responsible. The mission of vocational education is to cultivate people, instead of simply teaching ways to operate certain tools or perform specific functions.



Zhou Fenghua

Associate Research fellow and Director of the Assessment and Evaluation Center at the Central Institute for Vocational and Technical Education; We must support and strengthen specialized education, strive to realize the integration of production and education, and support academe-industry partnerships.

## Keynote Speeches at the Sub-session on Youth Dialogue



Micheal Chen
Founder of HIPA

Technology enables a digital workplace, which allows us to focus on the most important tasks, and contemplate and verify our ideas. Though it has greatly increased work efficiency, digital technology may cause problems. A prominent one is that people cannot gain a sense of satisfaction from work as easily as before. Compared with online interaction, real-world experiences are more meaningful and agreeable to people.



Dr. Kaddour Chelabi

Co-Founder of Sumen Education

Life and Work is like head and tail. My plan is to go home and think twice at each step I make to contribute to the future; use less plastic, live with sustainability in mind, giving back to the society, and be a part of the change, because each passing moment, is either for or against humanity.









Han Bing
Partner of Incapital

Digitalization is a process, a trend and a method that is redefining the future of work.



Lucy Tong
Int'l Academic Outreach Project
Manager of Institute of Climate
Change and Sustainable Development
at Tsinghua University

The future of work must be inclusive, where we think of the retraining of the current workforce, the situation in different economies - developed and developing, and incorporate that into the global momentum of mitigating for climate, start adapting both from the long-term strategy perspective, but more importantly the short-term targets.



Marilyn Waite
Author of Sustainability at Work

Not only must professionals be adequate in climate narrative, but they must also be able to quantify climate impacts. In other words, climate competency is increasingly required on Boards and executive teams.



Co-Founder of FuturistCircle

The ability to learn and use digital communication and coordination tools flexibly will be an essential skill for everyone, and this means that everybody is empowered to choose how they work.



Megan Zheng Designer, Stylist and Tech

Be creative when you design; be even more creative when it comes to life. Remote work will be an effective and vital working arrangement in the future, as it allows people to achieve balance between their careers and personal life.







#### Media Coverage of 2021 TCF

Due to the pandemic, the Taihe Civilizations Forum (TCF) continued to be held both on-site and online in 2021. Efficient communications with the outside world, therefore, became a top priority of the Forum. Taihe International Communications Center (TICC) multiplied the influence of the Forum by operating Taihe Institute's official accounts on social media platforms and partnering with heavyweight media outlets at home and abroad.

In the warm-up stage of this year's TCF, 66 videos and 92 promotional images and posters were released, 28 articles were posted on domestic online platforms, and 51 posts were made on overseas online platforms.

During and after the TCF, 159 videos and 21 promotional images and posters were released, 27 articles were posted on domestic online platforms, 18 posts were made on overseas social media platforms, and 18 press releases were published in both Chinese and English.

According to incomplete statistics, the promotional materials of 2021 Taihe Civilizations Forum have recorded over 9.6 million views, 950,000 plays, nearly 20,000 likes, and over 2,000 comments on its online official accounts.

Thanks to the long-standing friendship and cooperation between TICC and media outlets, this year's Forum received a lot of attention at home and abroad. Many well-known outlets offered full coverage of the Forum, including National Business Daily, people.cn, ifeng.com, china.org.cn, China Review News, Cover News, CGTN, South China Morning Post, takungpao.com, Ming Pao, China Daily, jyb.cn, China Minutes, Dragon TV, TASS, Russia Today TV, and Sputnik. Nearly 100 relevant articles were posted on all kinds of platforms.

For example, guancha.cn, news.cctv.com, huanqiu.com, people.cn, thepaper.cn, and gmw.cn posted or reposted articles on the exciting debate between Wu Hailong, President of China Public Diplomacy Association, and H.E. Nicolas Chapuis, Ambassador of the European Union to China, at the panel discussion on Sino-EU Relations of the Sub-session on International Relations. On Douyin alone, videos about the debate gained over 100 million views and nearly 3 million likes, triggering heated discussions and enhancing the Forum's popularity across society.

#### Media Coverage (partial)

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[people.cn - International] Sub-session on International Relations - Wu Hailong: The U.S. should view China's rise in a rational and objective way

[people.cn - International] Sub-session on International Relations - Wang Xiangsui: Four principles for healthy Sino-U.S. competition

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[Home - Journalists] Zhou Bo's view on China-U.S. marine risk control: Crisis management is of top importance

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[National Business Daily - News] Wang Wen, Executive Dean of Chongyang Institute for Financial Studies at Renmin University of China: China and the U.S. should forge a healthy competitive relationship

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	Interview with Mr. Zheng Ruolin by TASS at the 2021 Taihe Civilizations Forum
	Эксперт: наука позволит человечеству исправить большинство ошибок современного общества
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