

## China, the West, and the Rest: Who is Enjoying the Shadow of Whom?

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*“[o]f course we travel around the world a lot, and [...] we, too, have noticed this thing to be true. [...] In this particular segment [...] and from that point of view it’s most improbable that anyone will ever know exactly who is enjoying the shadow of whom”.<sup>1</sup>*

On Tuesday, July 25, 2023, Beijing announced that seasoned diplomat Wang Yi would return to his function as head of the Ministry of Foreign Affairs, a post he had held for ten years (2013–2022). With this, he replaced his predecessor Qin Gang, a so-called ‘wolf warrior’ diplomat who was in office for only a few months.<sup>2</sup> When former premier Li Keqiang (2013–2023) died of a heart attack on October 27, 2023, crowds of ordinary citizens laid chrysanthemum bouquets across the country, mourning for the more open and optimistic times that had characterized the era under Li’s patron, State President and General Secretary of the Chinese Communist Party (CCP) Hu Jintao (r. 2002–2012).<sup>3</sup> Minister of Defense Li Shangfu was, after an equally short stint in office, replaced by former People’s Liberation Army Navy (PLAN) admiral Dong Jun on December 29, 2023.<sup>4</sup> In the case of Li Shangfu, who was sanctioned by the United States (US) over arms sales to Russia, his resignation was combined with a purge and crackdown on corruption within the rocket force of the PLA.<sup>5</sup> Given the focus on the PLAN in Xi Jinping’s military reforms of the mid-2010s, this could be interpreted as an advantage point for the faction of China’s leader.<sup>6</sup> This signal stands in contrast to the promotion of Hu Haifeng, the son of Hu Jintao, to vice minister of Civil Affairs on January 16,

2024.<sup>7</sup> Keeping the much-speculated removal of Hu’s father during the 20<sup>th</sup> National Congress of the CCP of October 22, 2022 into mind, one might ask: Who enjoys whose sunlight to step out of the shadows?

This question can also be extrapolated to the Taiwan issue. Lai Ching-te and Hsiao Bi-khim of the Democratic Progressive Party (DPP), a presidential ticket deemed by China to be “independence on top of independence” (*du shang jia du*),<sup>8</sup> emerged victorious in the January 2024 Taiwanese general elections, beating Hou Yu-ih of the (relatively pro-PRC) Chinese Nationalist Party (KMT) and Ko Wen-je of the upstart (and ideologically ambiguous) Taiwanese People’s Party (TPP). Beijing’s response has, except for the ‘conventionally expected’ poaching of one of the last remaining diplomatic allies of Taiwan,<sup>9</sup> been rather subdued in spite of its clear repugnance of the victors.<sup>10</sup> Whose sunlight is admonishing the protagonists on both sides of the Taiwan Strait to remain in the shadow?

Different shades are also visible toward Europe. Chinese media coverage of the visit of the Belgian Premier Alexander De Croo and Minister of Foreign Affairs Hadja Lahbib to China from January 19 to 21, 2024, particularly focused on the bilateral Belgian-Chinese relations, this despite the fact that, starting from January 1, 2024, Belgium holds the rotating presidency of the European Union (EU).<sup>11</sup> Who is stepping out of the shadows to mend EU-China relations?

### 'AGREEING TO DISAGREE' MAINTAINED

At a meeting of the Central Committee of the CCP held on December 26, 2023, on the occasion of the 130<sup>th</sup> anniversary of the birthday of Mao Zedong, i.e., roughly two weeks prior to the January 2024 Taiwan general elections, Xi Jinping remarkably dealt with the Hong Kong and Macau issue separately from cross-Strait relations. While Xi addressed Hong Kong and Macau in the framework of 'One country–two systems' (*yi guo–liang zhi*),<sup>12</sup> the 'full reunification of the country', i.e. the Taiwan issue, was connected to the '1992 consensus' (*jiu er gongshi*).<sup>13</sup> He more precisely stated:

We must uphold and improve 'One country–two systems' and promote the reunification of the country. [...] We have to fully, accurately, and resolutely implement the direction of 'One country–two systems,' and the high degree of self-governance of 'Hong Kong people govern Hong Kong,' 'Macau people govern Macau'. [...] implement the principle of 'patriots rule Hong Kong,' 'patriots rule Macau' [...] The full reunification of the country is the big direction, [...]. The country must be reunified and shall be reunified. [...] We must adhere to the 'One China' principle and the '1992 consensus,' deepen the integrated development of all areas across the Strait, and promote the peaceful development of cross-Strait relations.<sup>14</sup>

In view of the history of the '1992 consensus,' this statement appears to point to a postponement of a solution to the cross-Strait issue and to a maintenance of 'agreeing to disagree' instead.<sup>15</sup> The persisting rumours that Xi's leading ideologist Wang Huning, currently the fourth-ranking member of the standing committee of the politburo, would be working on an alternative for 'One country–two systems' could further clarify this stance.<sup>16</sup> Against this backdrop, Beijing's restrained reaction to the Lai Ching-te and Hsiao Bi-khim victory can perhaps also be explained through the observation that Lai has, by embracing the cross-Strait status quo in line with his predecessor Tsai Ing-wen, moderated his stance on Taiwanese independence considerably over the last several years.<sup>17</sup> Or maybe China has taken reassurance

from the fact that the DPP has lost the majority in the Taiwanese Legislative Yuan that it had enjoyed since 2016.<sup>18</sup> The latter has made it possible that the KMT's Han Kuo-yu was elected to the presidency of the Legislative Yuan in February 2024. Thus, a radical (anti-PRC) legislative agenda seems out of the question for the next four years.<sup>19</sup>

Most likely, however, the PRC's reaction is related to the fact that heating up the Taiwan issue is presently not in its interests, as it has many other, domestic, issues to worry about – the threatening downward spiral of its economy being a major matter of concern.

### DOMESTIC ECONOMIC WOES

While it is much too early to make any long-term macro-economic conclusions or even to propose the Chinese economy has peaked, it cannot be denied it is in the doldrums. Walking through the streets of Beijing or any provincial capital city, the number of shops that have reduced their opening hours or that have closed business altogether is striking; ordinary citizens complain about rising living costs; the tourist sector grumbles about the drop in foreign visitors; parents lament the increasing financial impossibility of buying a (conventionally expected) house for their children after marriage; and young students, finally, increasingly speak of hoping to "run" away from China in search of opportunities abroad.<sup>20</sup>

It is clear that the end of the zero-Covid policies in late 2022 has not brought about the economic jumpstart of the Chinese economy that Beijing had hoped for; a perfume of economic crisis is palpable.<sup>21</sup> China's GDP has notably lost ground relative to the US economy for the first time this century. Earlier predictions proposing that China would supplant the US as the world's largest economy by the end of this decade likely have to be revisited.<sup>22</sup> Looking ahead, not only is China's youth unemployment at an all-time high (and Beijing stopped publishing related statistics after June 2023),<sup>23</sup> but China's labour force (the population in the 15–64 age range) has also started shrinking since 2020 – just like the Chinese population in general, for that matter. As reported by the IMF, by 2030, the labour force is expected to decline about

one percent a year. Growth of total factor productivity – the efficiency of China’s economy – has also slowed down, and is increasingly giving off a rather sluggish image.<sup>24</sup> Albeit of a different nature, the ordered liquidation of the Chinese property developer Evergrande on January 29, 2024, is not conducive to boosting consumers’ trust either. China’s property sales, investment and funds raised by developers slid further in 2023.<sup>25</sup> Finally, a lack of transparency surrounding debt accumulation let credit rating agency Moody’s to lower its outlook on China’s financial credibility in December 2023.<sup>26</sup>

As alluded to above, former premier Li Keqiang, one of the stalwarts of economic reform and transparency,<sup>27</sup> openness and reform, was widely expected to maintain a role after the 20<sup>th</sup> Party congress of October 2022. However, he, as well as other reformers like Wang Yang and Hu Chunhua,<sup>28</sup> disappeared from the politburo of the CCP entirely. Li’s comment in March 2022 (repeated in the summer of that year) that “the Yangtze and Yellow River won’t flow backwards, China’s opening up to the outside world will not change,”<sup>29</sup> was widely interpreted as a veiled criticism of certain aspects of Xi’s rule, which did, in fact, aim to “make the rivers flow backwards” by effectively undoing economic reforms through enduring zero-Covid restrictions. After losing power after the 20<sup>th</sup> CCP Congress, Li’s remarks were increasingly censored, similar to “excessive” expressions of sympathy after his demise in October 2023.<sup>30</sup> We therefore cannot expect Beijing to be significantly more transparent concerning the abovementioned economic issues in the short term. All this also gives rise to speculation that China could be entering an era of involution and conservative economic policy.

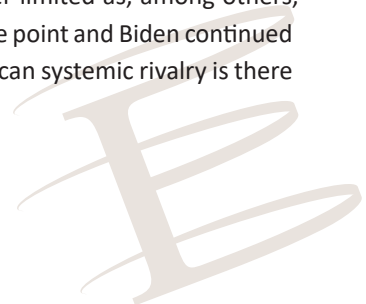
### TOWARD A THAW WITH THE WEST OR LINKING UP WITH THE REST?

Yet, despite the downfall of reformers like Li Keqiang and the ascendancy of an “all Xi politburo” in October 2022 that – judging from the lineup – suggested that ideology had prevailed over the economy, China rapidly reopened after a series of unprecedented protests a mere month later.<sup>31</sup> As we already noted with regard to

the 14<sup>th</sup> National People’s Congress, a renewed focus on the economy also became apparent through both rhetoric, especially by Li Keqiang’s successor Li Qiang, and action, e.g., several pro-business/economic reform (vice-premier) selections as well as economic adjustments.<sup>32</sup> As mentioned above, later in 2023, the two ostensibly most anti-Western figures in the new administration, foreign minister Qin Gang and defense minister Li Shangfu, both fell from grace.

How can this all be explained? In spite of Xi’s Dual Circulation (*Shuang xunhuan*)<sup>33</sup> economic policy that puts more priority on domestic consumption while remaining open for foreign investment,<sup>34</sup> the PRC is still in need of foreign technologies to bolster economic growth and capital expansion. Beijing is struggling with its ever-volatile allies of convenience. While Russia’s war against Ukraine hardly subsides in intensity, North Korea’s claim that it is no longer looking to eventually unifying with its southern neighbor as it amended its constitution to brand South Korea its “principle enemy,”<sup>35</sup> also increases instability in China’s backyard and increases geopolitical risks. As of 2024, prospects to acquire any useful technology from the instable and economically backward duo do not look bright. Unless Beijing is prepared to risk it all by making a move on Taiwan, which is extremely unlikely, looking for better ties with the West to obtain, among others, the coveted microchips, will remain imperative.

It is against this light that we have to interpret the Chinese state media’s considerable rhetoric shift toward the US, with plenty reports stressing the need to rebuild and strengthen Sino-American relations before, during and after the much-anticipated meeting between Xi Jinping and Joe Biden in November 2023.<sup>36</sup> These calls were at least partly reciprocated by the American secretary of the treasury Janet Yellen shortly before the consultations. During a meeting with vice-premier He Lifeng, one of the noted “pro-business” picks, she repeated that America did not seek decoupling and called for cooperation on debt relief for the Global South.<sup>37</sup> Although results of the Xi-Biden meeting were rather limited as, among others, Russia clearly remained a sore point and Biden continued to underline that Sino-American systemic rivalry is there



to stay, at least the defense contacts that had been suspended since the Pelosi visit to Taiwan in August 2022 were resumed.<sup>38</sup> Most prominently, a shared intention to somewhat salvage the damaged economic ties became evident. The visit to the US of diplomatic pragmatist Liu Jianchao, one of those in the CCP who have profited from the downfall of Qin Gang, to discuss the Korean peninsula, further demonstrated that Xi has not jumped on the Putin-Kim bandwagon.<sup>39</sup> It will, of course, remain to be seen how the American elections of November 2024 will influence the years ahead, but it is apparent that (some) room for cooperation remains.

As for Europe, meanwhile, calls to (again) cooperate have already persisted for a considerably longer time than this is the case toward America. Most pertinently, there have been increased appeals to return to the negotiation table and sign the EU-China Comprehensive Agreement on Investment (CAI), which stalled after a series of tit-for-tat sanctions over Xinjiang in March 2021. The CAI is, of course, an EU responsibility. This may explain that while Fu Cong, Chinese ambassador to the European Union, has frequently suggested to simultaneously lift sanctions to allow the deal to move ahead,<sup>40</sup> visa-free travel (an EU Member State responsibility) up to fifteen days for citizens of the top five economies of the EU (Germany, France, Italy, Spain, and the Netherlands) – to which later also Ireland and Switzerland were added – was also put into practice.<sup>41</sup> This further highlights the observation that Beijing is in high need of a technological and economic reconnection with Europe and its Member States, and desires to resume (economic) normalcy.<sup>42</sup> Also here, it should be emphasized that China has not crossed red lines on Russia. While bilateral trade between China and Russia has increased in the wake of Western sanctions, outright weapon/ammunition deliveries – like North Korea has done – have not occurred.

Next year's European elections may, in this respect, be an opportunity to resume some economic normalcy by, for instance, reviving or reshaping the CAI. For this to be possible, the EU would have to revise its sanctions and China, from its side, would have to demonstrate its sincerity by creating a more even playing-field and

more openness.<sup>43</sup> Signals that economic pragmatists and seasoned diplomats are 'fighting back' against the ideological diehards within the CCP may be conducive for both sides to step out of the shadows. This will be no sinecure, however. The very strict covid measures in China, and the lucrative opportunities for investors in the newly upcoming countries have brought domestic as well as international investors' trust in China to an all-time low, and FDI has seen a significant contraction as companies increasingly diversify their assets over other parts of Asia.<sup>44</sup> Reviving EU-China connections remains a possibility, but geoeconomic dynamics and the conviction that diversification of dependencies is necessary have become part of the game.

Tensions with Beijing have also considerably changed Brussels' policies with respect to Taiwan. As talks over the CAI collapsed and some of the EU Member States were sanctioned, many in the European Parliament started pushing to sign a Bilateral Investment Agreement (BIA) with Taiwan. Even the Commission, which is traditionally more careful on Taiwan by putting trade interests with China first, has agreed to increase trade and investment ties despite – for now – staying clear of a BIA. As was already visible through its 2016 *Elements for a New EU Strategy on China*, the EU now has a "commitment to continuing to develop its relations with Taiwan," which is now seen as a partner "with shared values underpinning its system of governance."<sup>45</sup> This stance was confirmed in the 2019 *EU-China – a Strategic Outlook*, and prominently contrasted with the PRC through the identification of the latter as not only a partner and a competitor, but also as a systemic rival.<sup>46</sup> Clearly, the EU appears to be no longer what many in the CCP still desire: an entity separating political considerations from economic interests.

Economic interests and political considerations also go hand in hand in such Chinese initiatives as the Shanghai Cooperation Organization (SCO),<sup>47</sup> the first international organization created on Chinese initiative in 2001 as a successor to the 1996 Shanghai Five (China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan) group. Whereas the SCO (that apart from the Shanghai Five also includes Uzbekistan) was at first primarily focused



on demilitarization of frontier areas and countering extremism and drug trafficking after the demise of the Soviet Union, the organization gradually developed to be an instrument of economic development and, increasingly also, political cooperation.<sup>48</sup> China's regional importance has further enhanced through adherence to the SCO of Pakistan and India in 2017, and of Iran in 2023.<sup>49</sup> In the same vein, China's expansion of the group of BRICS (Brazil, Russia, India, China, South Africa) countries with the addition of Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates in 2023, thus forming the BRICS+ concept, shows the PRC's enhanced orientation towards the non-Western world.<sup>50</sup> So far, collaboration in the framework of these initiatives have not yet created an alternative 'international system.'<sup>51</sup> Given the economic and geopolitical risks at stake for China, it also is unlikely that the country would be fully maneuvering into that direction. The West radically 'turning away' from China may, however, be conducive to precisely that.

#### WILL EUROPE STEP OUT OF ITS SHADOWS?

Reinvigorating the relations Beijing so badly requires is therefore in the interests of Brussels in many respects. Thankfully, the abovementioned developments concerning both the US and Europe show that, in practice, China too, is not seeing its relations with Europe as a zero-sum choice and is still willing to consider compartmentalization. Be it through climate change or reviving trade and investment negotiations (through either the CAI or a new treaty), plenty opportunities for EU-China collaboration remain. In this, the EU should be aware of its leverage (CAI or BIA, why not both?) and seize the opportunity to stress its red lines more prominently – provided that it speaks with a unified voice. This also aligns with the EU's retained role as a "partner" and "competitor" of China. The EU not taking the opportunities to renew dialogue and revive mutual relations with the PRC could not only convince Beijing that more salvation can be expected from a radical orientation towards 'the Rest,' but would potentially also confine the EU to a place in the shadows.

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## Endnotes

- 1 Duke Ellington, «*The Afro-Eurasian Eclipse*». Recorded in 1971 and posthumously released on Fantasy Records, 1975, OJCCD-645-2 (F-9498). Text: Garry Giddins, *Visions of Jazz*. Oxford: Oxford University Press, 1998, p.499.
- 2 See [https://www.lemonde.fr/en/international/article/2023/07/31/china-the-return-of-wang-yi-xi-jinping-s-trusted-old-hand\\_6073992\\_4.html#](https://www.lemonde.fr/en/international/article/2023/07/31/china-the-return-of-wang-yi-xi-jinping-s-trusted-old-hand_6073992_4.html#) (last accessed January 8, 2024).
- 3 <https://www.nytimes.com/2023/10/27/business/li-keqiang-mourning-online.html> (last accessed February 14, 2024).
- 4 See <https://www.bbc.com/news/world-asia-67842848> (last accessed January 8, 2024).
- 5 See <https://www.politico.eu/article/chinas-paranoid-purge-xi-jinping-li-keqiang-qin-gang-li-shangfu/> (last accessed February 7, 2024).
- 6 Joel Wuthnow and Phillip C. Saunders, *Chinese Military Reforms in the Age of Xi Jinping: Drivers, Challenges, and Implications*. Washington, D.C.: National Defense University Press, 2017.
- 7 See <https://www.reuters.com/world/china/former-chinese-presidents-son-becomes-vice-minister-2024-01-16/> (last accessed February 8, 2024).
- 8 獨上加獨. See, for instance, [http://www.taiwan.cn/plzhx/wyrt/202311/t20231123\\_12583552.htm](http://www.taiwan.cn/plzhx/wyrt/202311/t20231123_12583552.htm) (last accessed February 4, 2024).
- 9 On January 15, 2024, the Pacific island nation of Nauru switched diplomatic recognition from Taiwan to the PRC. This move would likely have been called off if Hou Yu-ih or Ko Wen-je had won, and resembles the end of the ‘diplomatic truce’ (*waijiao xiubing* 外交休兵) shortly after Tsai Ing-wen’s 2016 victory when Beijing immediately established relations with the Gambia. For an overview of diplomatic changes under KMT and DPP presidencies: see <https://www.csis.org/analysis/taiwans-2024-elections-results-and-implications> (last accessed February 8, 2024).
- 10 The minuscule report in a small corner of the *People’s Daily* is rather emblematic for this, see [http://paper.people.com.cn/rmrb/html/2024-01/14/nw.D110000renmrb\\_20240114\\_8-04.htm](http://paper.people.com.cn/rmrb/html/2024-01/14/nw.D110000renmrb_20240114_8-04.htm) (last accessed February 4, 2024). Social media was notably censored in the days around the elections.
- 11 Press coverage in all major state newspapers was universally focusing on the Sino-Belgian relations first, and only on Sino-European relations in secondary order. See, e.g., “習近平會見比利時首相德克羅” (Xi Jinping Meets Belgian Premier De Croo), 人民網 13 January 2024. <http://politics.people.com.cn/n1/2024/0113/c1024-40158060.html> (last accessed February 14, 2024).
- 12 一國兩制.
- 13 九二共識. This term was coined by KMT member Su Chi, who served as Minister of Taiwan’s Mainland Affairs Council of the Executive Yuan from 1999 to 2000 and as Secretary-General of the Taiwanese National Security Council from 2008 to 2010.
- 14 “要堅持和完善‘一國兩制’，推進祖國統一。[...] 我們要全面準確、堅定不移‘一國兩制’，‘港人治港’，‘澳人治澳’，高度自治的模擬[...] 落實‘愛國者治港’，‘愛國者治澳門’原則[...] 實現祖國完全統一獅大勢所趨’[...] 祖國必須統一，也必然統一。我們要[...] 堅持一個中國原則和‘九二共識’，神話兩岸各領域融合發展，推動兩岸關係和平發展”。(“在紀念毛澤東同志誕辰130周年座談會上的講話” (Speech at the symposium commemorating the 130th anniversary of the birth of Comrade Mao Zedong)), *Renmin tiedao* 人民鐵道, 27 December 2023, p.2). See [https://www.gov.cn/yaowen/liebiao/202312/content\\_6922523.htm](https://www.gov.cn/yaowen/liebiao/202312/content_6922523.htm) (last accessed February 10, 2024).
- 15 After a meeting in Hong Kong in November 1992 between representatives of the Association for Relations Across the Taiwan Strait (ARATS) of the PRC and the Straits Exchange Foundation (SEF) of the Republic of China (ROC) – a meeting on which no real ‘consensus’ was reached but that since 2000 has been referred to as the ‘1992 consensus’ (see note 13), ARATS Chairman Wang Daohan and SEF Chairman Koo Chen-fu again met in Singapore on 27 April 1993. In 1998, another Wang-Koo summit was held in Shanghai, but the 1999 summit was called off because of the PRC’s disapproval of KMT President Lee Teng-hui’s (presidency 1988-2000) half-heartedness and strategical ambiguity on the meaning of ‘special state-to-state relations’ (*teshu de guo yu guo guanxi* 特殊的國與國關係), a position that was in line with his concept of “eventual reunification” (*zhongji tongyi* 終極統一) which comprised a recognition that while there *de jure* existed only one China, there were *de facto* two political entities (*yi ge Zhongguo, liang ge zhengzhi shiti* 一個中國，兩個政治實體) representing the Chinese. After the 2008 failed referendum to enter the UN as ‘Taiwan’ during DPP President Chen Shui-bian’s second term in office (presidency 2000–2008), KMT President Ma Ying-jeou (presidency 2008–2016) returned to recognizing the ‘1992 consensus,’ be it that he stressed the ROC’s *de facto* independence and proposed ‘one China, respective interpretations’ (*yi Zhong ge biao* 一中各表). The ‘1992 consensus’ was again stressed by both Ma Ying-jeou and Xi Jinping during a meeting in 2015 in Singapore. After her election as President in 2016, the DPP’s Tsai Ing-wen stated she recognized a meeting in the spirit of “agreeing to disagree” had taken place in 1992, but stopped adhering to the ‘1992 consensus’. The PRC stated it viewed this as “an incomplete test paper” as she failed to raise the consensus and ended official cross-Strait contact.
- 16 See, for example, <https://asia.nikkei.com/Editor-s-Picks/China-up-close/Analysis-Xi-puts-top-brain-in-charge-of-Taiwan-unification-strategy> (last accessed February 12, 2024). Throughout 2023, Wang has met with multiple Taiwanese pro-Chinese politicians to this end.
- 17 See <https://time.com/6336441/taiwan-presidential-election-william-lai-profile/> (last accessed February 7, 2024).



- 18 In the 2016 legislative elections, the DPP won 68 of the 113 seats, while the KMT took 35. In 2020, this was respectively 61 and 38. In 2024 the DPP and KMT took 51 and 52 (plus two sympathetic independents) seats, respectively, with the TPP becoming kingmaker with its eight seats.
- 19 See <https://www.voanews.com/a/china-friendly-opposition-politician-elected-legislative-speaker-in-taiwan/7466648.html> (last accessed February 7, 2024).
- 20 This phenomenon is often depicted with the character “潤” which sounds like the English “run.” See, for example, <https://www.twreporter.org/a/run-philosophy-china-middle-class> (last accessed February 12, 2024).
- 21 On China’s handling of the covid pandemic: see Bart Dessein, “Coping with Covid and the Myth of a Collective China”, *Asian Studies* 10.1, 2022, pp.97-119.
- 22 In purchasing power value China surpassed the US in 2017. In nominal terms, however, the PRC has barely gained ground on the US since Xi’s ascendancy in 2012/3. See <https://statisticstimes.com/economy/united-states-vs-china-economy.php> (last accessed February 7, 2024).
- 23 The final official number that was published was 21.3 percent. See <https://www.bbc.com/zhongwen/simp/chinese-news-66506966> (last accessed February 7, 2024). Since 2019, the service sector job market, in particular, is unable to keep up with the growth in college graduates. See <https://www.cfr.org/blog/root-chinas-growing-youth-unemployment-crisis> (last accessed February 7, 2024).
- 24 See <https://www.imf.org/en/Publications/fandd/issues/2023/12/China-bumpy-path-Eswar-Prasad> (last accessed February 4, 2024).
- 25 See <https://www.reuters.com/business/embattled-china-evergrande-back-court-liquidation-hearing-2024-01-28/> (last accessed February 10, 2024).
- 26 The IMF and Wall Street banks estimate an off-balance debt of somewhere between seven and eleven trillion US dollars. See <https://www.wsj.com/world/china/chinas-colossal-hidden-debt-problem-is-coming-to-a-head-83a34dc0> (last accessed February 7, 2024).
- 27 During his tenure as CCP secretary of Liaoning province, Li Keqiang told American ambassador Clark Randt jr. in 2007 that Beijing’s numbers were unreliable and artificial. To obtain economic data, he instead insisted to measure railway cargo volume, electricity consumption and loans disbursed by banks. Li’s candid comments were leaked in 2010 by WikiLeaks and said formula to measure China’s “true growth” became widely known as the Li Keqiang Index (*Li Keqiang zhishu* 李克強指數). See <https://www.economist.com/asia/2010/12/09/keqiang-ker-ching> (last accessed February 7, 2024). Some have argued that the leaks of Li’s criticism have hampered his rise to prominence and explain his later – rather limited – clout as premier under Xi.
- 28 Wang Yang served as chairman of the National Committee of the Chinese’s People’s Political Consultative Conference from 2018 to 2023, and before that time was one of the four vice-premiers under Li Keqiang between 2013 and 2018. Since 2022, Hu Chunhua no longer serves on the politburo, but he remained a member of the Central Committee of the CCP. He now serves as vice chairman of the Chinese People’s Political Consultative Conference.
- 29 Original text: “長江黃河不會倒流，中國對外開放不會改變”。 See <https://www.youtube.com/watch?v=qLa-2eX9mSw> (last accessed February 7, 2024).
- 30 See <https://chinadigitaltimes.net/2023/10/minitue-beware-of-overly-effusive-comments-on-late-premier-li-keqiang/> (last accessed February 7, 2024).
- 31 For our previous reports on the topics of the 20th CCP congress and the subsequent protests, see, respectively: Bart Dessein, Jasper Roctus, and Sven Biscop, “*Xi Jinping Seeks Stability. The 20th National Congress of the CCP*,” *Egmont Policy Brief* 291, October 2022; and: Bart Dessein and Jasper Roctus, “*Outspokenly Unspoken: The Chinese People’s ‘White Paper Revolution’*,” *Egmont Policy Brief* 297, December 2022. (Both last accessed February 7, 2024).
- 32 For our previous analysis on “the comeback of the economy” in late 2022/early 2023, see Jasper Roctus and Bart Dessein, “*China’s 14th National People’s Congress: No Ordinary Cups of Tea*,” *Egmont Policy Brief* 300, March 2023 (last accessed February 7, 2024).
- 33 雙循環。
- 34 During the Two Sessions (*liang hui* 兩會) of May 2020, Xi Jinping defined the objective of Dual Circulation as “Gradually forming a new development pattern in which the domestic macro-cycle is the mainstay and the domestic and international double-cycle are mutually reinforcing” (“逐步形成以國內大循環為主體、國內國際雙循環相互促進的新發展格局”). See <https://www.yicai.com/news/100631002.html> (last accessed February 4, 2024). As the focus of this strategy is clearly on domestic circulation, the term “internal circulation” (*nei xunhuan* 內循環) has been employed as well.
- 35 See <https://www.bbc.com/news/world-asia-67990948> (last accessed February 7, 2024).
- 36 For Al Jazeera’s report on the rhetorical shift in general, see <https://chinese.aljazeera.net/asia-pacific/2023/12/6/%E4%B8%BA%E4%BD%95%E4%B8%AD%E5%9B%BD%E5%AE%98%E6%96%B9%E5%AA%92%E4%BD%93%E8%BD%AC%E5%90%91%E6%8A%A5%E9%81%93%E4%B8%AD%E7%BE%8E%E4%B9%8B%E9%97%B4%E7%9A%84%E5%8F%8B%E5%A5%BD%E5%85%B3%E7%B3%BB>. For an example, see the column *Dialogue and cooperation are the only correct choice for both countries* (“對話合作是兩國唯一正確選擇” (Dialogue and cooperation are the only correct choice for both countries)) of November 23, 2023 in the *People’s Daily*. (both last accessed February 7, 2024).

- 37 See <https://www.nytimes.com/2023/11/10/business/yellen-china-economy-relations.html> (last accessed February 10, 2024).
- 38 See <https://carnegieendowment.org/2023/11/16/three-takeaways-from-biden-xi-meeting-pub-91042> (last accessed February 10, 2024).
- 39 See <https://asia.nikkei.com/Editor-s-Picks/China-up-close/Analysis-China-s-rising-star-visits-U.S.-over-warming-Putin-Kim-ties> (last accessed February 12, 2024).
- 40 Fu Cong has repeatedly called for this after the start of his tenure in late 2022. See, among others [http://eu.china-mission.gov.cn/eng/mh/202212/t20221224\\_10994641.htm](http://eu.china-mission.gov.cn/eng/mh/202212/t20221224_10994641.htm) (Last accessed February 7, 2024).
- 41 See <https://www.euronews.com/travel/2024/01/19/china-aims-to-boost-tourism-by-giving-visa-free-entry-to-these-five-european-countries> (last accessed February 7, 2024).
- 42 On China’s diversified approach to the EU and the EU member states: see Bart Dessein and Jasper Roctus, “*Remonstrating’ or the Art of Forging Relations*”, *Reconnect China Policy Brief* #1 (last accessed February 9, 2024).
- 43 See Sven Biscop, “*My Summer in Beijing*”, *Egmont Policy Brief* 315, September 2023. (last accessed February 9, 2024).
- 44 See <https://www.bloomberg.com/news/articles/2023-11-08/china-is-having-a-hard-time-wooing-foreign-investors-back> (last accessed February 10, 2024).
- 45 See page four of [Joint Communication to the European Parliament and the Council: Elements for a New EU Strategy on China](#) (last accessed February 12, 2024).
- 46 For both stances, see the first page of [EU-China – a Strategic Outlook](#) (last accessed February 12, 2024).
- 47 上海合作組織.
- 48 Mirzokhid Rakhimov, “Contemporary Central Asia: Balancing Between Chinese and Trans-Asian ‘Silk Road’ Diplomacy.” In *China’s Global Rebalancing and the New Silk Road*, ed. B. R. Deepak, 119-128. Singapore: Springer, 2018, p.121; Fabienne Bossuyt, “Engaging with Central Asia: China compared to the European Union.” In *China, the European Union, and the developing world: a triangular relationship*, ed. Jan Wouters, Jean-Christophe Defraigne and Matthieu Burnay, 210-235. Cheltenham: Edward Elgar, 2015, p.230.
- 49 Note that, since 2008, Sri Lanka, Türkiye, Cambodia, Azerbaijan, Nepal, Armenia, Egypt, Qatar, Saudi Arabia, Kuwait, the Maldives, Myanmar, the United Arab Emirates, and Bahrain have become ‘dialogue partners’ of the association.
- 50 Note that, in 2023, also Argentina signed up to the platform but that the newly elected President Javier Milei refrained from becoming a member soon after his election in December 2023.
- 51 See Bart Dessein, “*China and Geopolitics as Ontology*,” *Egmont Policy Brief* 328, January 2024, p.4 (last accessed February 14, 2024).







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