

# VIEWS

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## Ukraine crisis hinders European autonomy

A distant observer from space may consider that the world currently faces again an eruption of a horde of the biblical Horsemen of the Apocalypse: Climate change, a pandemic (COVID-19), earthquakes, war, refugees, death and destruction, inflation, hunger, and, potentially, even a nuclear war. Dealing with all this properly requires common trust, international collaborations and effective diplomacy among nations.

The epicenter of the current misery in Europe is the military conflict in Ukraine, which has evolved from a special military operation into permanent, protracted war. It has the potential to permanently divide the larger world, far beyond Europe, endangering further progress in the path of humanity.

And it is also threatening the fruits of many long-term efforts to make the world better: Global well-being had substantially increased in recent decades with the end of history, the end of global confrontation and a global reduction of inequality. Trade and economic interactions had created growth and improved well-being and a better global understanding. The rise of China has been a strong part of this success story, and its global initiatives to promote growth and development through infrastructure building, e.g., the Belt and Road Initiative, contribute further perspectives.

From a European point of view, this is all at stake, caused by the conflict in Ukraine. Why could this happen? And why with a focus on Europe? Many Europeans remain speechless that such a war could take place again on a continent where the security of national borders in the face of painful historical experiences has a very special value.

Is Europe now paying the price for the US-led NATO's eastward expansion?

NATO is designed as a defense pact, committing members to protect each other only from aggression by other countries. It was getting militarily weaker and weaker, with too low military budgets and a re-orientation towards limited global missions moving away from traditional defense capabilities in Europe. The US was even accused of becoming increasingly ignorant about Europe as it concentrated on the rising conflict with China in Asia. Former US president Donald Trump once even contemplated dissolving NATO and withdrawing from Europe.

With Ukraine becoming independent in 1991, the country inherited a substantial amount of Soviet nuclear weapons (with physical but no operational control), but transferred them to Russia within a decade. The 1994 Budapest Memorandum on Security Assurances signed by Russia, the United States and the United Kingdom, also supported by France and China in separate declara-

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tions, provided guarantees on territorial security. When in the early 2000s US President George W. Bush wanted Ukraine inside NATO, France and Germany opposed it in the interest of Russia.

Until last year, Germany's traditional political parties and people had substantial sympathy for Russia. Policy was relying on change through trade and gave priority to economic relationships. The belief was that economic prosperity on all sides is the best guarantee for peace in Europe. It turned out to be an illusion.

This was also the driving idea behind the European Union eastwards enlargement since 2004, integrating most East European countries successfully after some years of economic development and social adjustments into a common

and open European market for goods, capital and people.

However, it has not been possible to further develop the European security order to pacify Russia and to integrate the country forcefully into a successful economic transition. This is certainly a substantial failure of European, in particular German, policy and diplomacy.

What has happened is not the responsibility of the US. However, the military conflict in Ukraine also reveals to what substantial degree Europe needs to rely on strong transatlantic relationships and support. The crisis hinders Europe from being more independent of the US, militarily, economically and in particular on technological issues. Only when this military conflict ends, can Europe act more independently. If it continues or even ends with a destruction of Ukraine, this would further globalize and deepen the divide of the world.

It is in China's interest to help find the path to a workable end of the conflict in Ukraine to stabilize the European order. Countries have a right to live in secure borders. Beyond all societal differences, China and Europe have similar challenges and conditions like aging societies, migration pressures and a strong export orientation. Collaborations and under-

standing with mutual respect for the different positions are needed.

Europe has to increase its strategic autonomy and proactivity; economically, technologically and militarily, but also on the diplomatic level. In particular Germany has to go a long way to take the requested leadership needed to balance the complex set of interests between European countries which are a prerequisite for finding solutions to the current and forthcoming challenges on the continent.

The European Union is not only concerned with supporting Ukraine but is also organizing a substantial transformation in energy use and other measures to fight climate change. Again, this challenge can only be handled with effective support of and partnership with China. By helping Europe to stabilize in the current crisis, and as a partner against climate change, China can ensure success and the proper use of its huge investments in the world through its Belt and Road Initiative.

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Su Qingyi

## 'Active competition for orders' set to boost businesses

According to the General Administration of Customs, China's imports and exports hit a record high of 42.07 trillion yuan (\$6.62 trillion) last year, ranking top in the world for six consecutive years.

Many local governments have chartered flights for local entrepreneurs and business leaders to travel abroad to compete for overseas markets. Among the latest business groups to travel abroad to seek orders are a delegation from Guizhou province, one of China's poorest provinces, to Russia to take part in a trade expo, and 15 bicycle enterprises led by Xingtai Tianfu Bicycle Co from Pingxiang county of Hebei province to Indonesia.

But given the increasing pace of industrial restructuring in the post-COVID period, China will face a series of challenges at home and abroad which can be dealt with only by working together with other countries.

First, China faces the challenge of the restructuring of global industrial chains. From the launch of reform and opening-up in 1978 to the global financial crisis in 2008, China took advantage of the low cost of labor to gradually climb up the global chains, with labor-intensive processing products comprising a high percentage of the country's foreign trade. But since 2008, the proportion of processing products is down from a half to a quarter of the foreign trade.

Thanks to its economic rise and the Chinese people's growing incomes — which means higher labor costs — China is less competitive than Vietnam and India in the labor-intensive sectors. Apart from that, to maintain its hegemony, the United States is ramping up efforts to target China's high-tech industry. And not surprisingly, some other countries have been caught in the middle of the Sino-US trade disputes.

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Given the adverse factors, China has to preserve the existing industries to maintain a healthy level of employment and growth, and intensify efforts to climb up to the upper end of the global industry chains to achieve high-quality development.

Transforming the economy is a challenge that China has to face as a major power at this stage. And higher-quality opening-up and reform are the best way of doing so.

Second, the COVID-19 pandemic has interrupted the global industry chains and hindered China's participation in global economic activities. Yet the shock is likely to be short term, as other countries have also been affected — and China's industrial chains, contrary to some claims, will not shift overseas.

Also, as the Chinese economy grows, the share of "made in China" products and services in the global economy may decline, especially because the country is marching toward an era of "created in China". Since the world's demand for manufacturing goods remains constant, part of China's manufacturing industries might shift to countries such as Vietnam and India due to their competitiveness, which is both a challenge and an opportunity for China.

Third, the pandemic of the past three years forced millions of businesses to communicate and do business online, which may be good but not as good as face-to-face communication for business.

That's why in the post-pandemic period, Chinese companies will make even more efforts to boost their and the country's economic ties with the world. The report to the 20th National Congress of the Communist Party of China points out that China adheres to the basic policy of reform and opening-up, pursues a mutually beneficial and win-win opening-up strategy, strives to create new opportunities for the world with its own development, contributes its share to build an open world economy and improve the lives and livelihoods of people of all countries.

The report also says China will remain an integral part of the international division of labor and global cooperation, and endeavor to preserve the diversity and stability of the global economic landscape. Under the guidance of these national policies, Chinese enterprises will explore the overseas markets: to stabilize and optimize exports; expand imports; introduce foreign capital; and invest abroad.

There's no more time to wait. Despite the rise of anti-globalization sentiments in some parts of the world, economic globalization is here to stay, and China will continue to work with the world to boost economic and trade exchanges in the post-pandemic era.

To deal with all these challenges, countries around the world should deepen cooperation, and take advantage of the digital economy and the ebbing pandemic to strengthen the global supply, industry and value chains so as to ensure orderly and healthy global growth.

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SHI YU / CHINA DAILY

Pan Hsi-Tang

## Pro-independence DPP hurts Taiwan's interests

Kuomintang vice-chairman Hsia Li-yan led a delegation to the Chinese mainland on Feb 8 to 17 to urge the mainland side to promote "exchanges and dialogue" with the aim of improving people's livelihoods.

On Monday the mainland authorities announced that they will facilitate the resumption of the entry of certain agricultural and aquatic products from the island.

The mainland's gesture comes after Taiwan farmers and fishers, through different channels, said they will improve the quality of their products and take measures to ensure they are absolutely safe for human consumption.

Hsia's visit to the mainland, where he also met the mainland's Taiwan affairs chief Song Tao and Wang Hunning, a member of the Standing Committee of the Political Bureau of the Communist Party of China Central Committee, has raised hopes that peaceful cross-Straits exchanges can be resumed. But the island's ruling Democratic Progressive Party questioned the purpose of Hsia's visit, saying it was a "pilgrimage to the CPC". But the DPP always politicizes any cross-Straits exchanges that serve the interests of Taiwan residents.

Despite the DPP's political antics, however, cross-Straits peace has become the mainstream voice in Taiwan. And the fact that Hsia visited the mainland to hold talks without fear or pressure means cross-Straits relations can still improve.

Taiwan businesses have been caught

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in the middle of the cross-Straits disputes since the DPP came to power in 2016 because of the party's indifference toward them and its pro-independence policies.

Agricultural and fishery companies have borne the brunt of worsening cross-Straits ties as they were unable to update their business registration. The mediation of the KMT and non-government organizations has helped to ease their predicament.

Taiwan enterprises, especially small and middle-sized enterprises, need the help of the island's Straits exchange foundation and the "mainland affairs council" to expand their businesses. However, since the island's authorities refuse to acknowledge the 1992 Consensus, the negotiation mechanism across the Straits has been suspended.

As the DPP authorities cannot be counted on to improve cross-Straits relations, talks between the KMT and

the mainland authorities are the best way to iron out the cross-Straits differences and improve the well-being of the people on both sides.

The DPP authorities have tried to smear Hsia's visit by portraying it as being in pursuit of personal interests. But with Sino-US frictions intensifying and the risk of conflict in the Taiwan Straits rising, Hsia's visits (he also visited the mainland in August) show there are still peaceful and rational politicians in Taiwan who want to improve relations and expand trade with the mainland. This could prompt the mainland to lift some trade bans and exchange restrictions across the Straits.

The DPP authorities also have the responsibility to maintain the cross-Straits exchanges for the well-being of Taiwan residents.

The KMT has been playing a positive role in bridging the cross-Straits divide. The resumption of ferry services between Quanzhou in Fujian province and Kinmen in Taiwan on Feb 10 and the lifting of the import ban on Kinmen Kaojiang Liquor products by the mainland on Jan 29 would not have been possible without the efforts of Chen Fu-hai, county head of Kinmen, and Chen Yu-jen, a KMT legislator.

In contrast to the island's "council of agriculture", which does nothing to improve the plight of farmers and fishers, Hsia, in his meeting with Song Tao, said there is a need to make the cross-Straits investment and business environment more secure so that Taiwan businesses, including SMEs and grass-

roots enterprises, can prosper and help improve the livelihoods of Taiwan residents.

Although most Taiwan residents hope cross-Straits tensions will ease and normal exchanges resume, the authority on the island refuses to restore direct cross-Straits flights, citing anti-pandemic measures and lack of passengers.

Despite refusing to directly communicate with Beijing, the DPP is unhappy to see the KMT doing it and "take credit" for improving the lives and livelihoods of Taiwan residents. That's why it is using the old trick of defaming the KMT.

Hsia's visit shows that the hyping up of the claim that "the mainland will militarily attack Taiwan" has no foundation so long as the 1992 Consensus is upheld.

Just as Wang and Song said, "Taiwan independence" is incompatible with peace and runs counter to the well-being of Taiwan residents, and the mainland is willing to increase exchanges with the KMT with the aim of ensuring permanent peace across the Straits on the basis of the 1992 Consensus.

Hopefully, the island authorities will face up to public opinion on the island and stop trying to denigrate Hsia's visit. The KMT on its part should continue to make a sincere effort to seek peace for the whole Chinese nation and improve the well-being of the people on both sides of the Straits.

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