

VIEWS



China and the World Roundtable | G20 Summit

Editor's note: Since the world economy is under downward pressure and global sustainable development faces many challenges, the G20 should strengthen partnership, and work together to address these challenges in the international economy and development. Tackling global economic recession and boosting development have been the main topics of the G20 Summit. Three experts share their views on the issue with China Daily.

Klaus F. Zimmermann

China-EU synergy can meet global challenges

In an era marked by exceptional international challenges, the development of the global economy, fighting climate change, and rapid technological innovations have emerged as focal points of our collective future. As countries struggle to deal with these interconnected issues, which they cannot tackle alone, the potential for collaboration between China and the European Union, particularly Germany, is high. Such collaboration can also guide us through the tumultuous times ahead.

The world is now at a crossroad. The COVID-19 pandemic exposed the weaknesses of the global supply chain links, highlighting the dangers of economic disparity and the pressing need for global collaboration. Climate change, which



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poses a threat to all countries, continues to unleash destructions across the world, necessitating prompt measures to alleviate its catastrophic impacts. Simultaneously, the continuing technological transformation is altering industries, the workforce and communities, creating both opportunities and challenges.

Relations between China and the EU, in particular Germany, are not stable. In fact, China-EU ties have worsened because of Western economic sanctions, allegations of human rights violations, and rising military tensions between the West and China. However, China's crucial role in addressing global and regional socioeconomic problems makes it a natural partner for mitigating and adapting to climate change.

Therefore, the EU, even after recognizing the systemic rivalry, strong competition, and rising tensions between the two sides, seeks China's partnership. In particular, the Sino-German partnership can serve as a role model for overall China-EU collaboration since China and Germany have many common interests and goals, and are collaborating in various areas.

One issue China and Germany have in common is their dependence on exports and focus on industrial production. Their economic growth rates rest largely on functional supply chains and prospering trade relationships. And both countries face significant growth problems, which

could turn out to be structural. For example Germany's economy is expected to stagnate in 2023 while China's economic growth has slowed down. In such circumstances, it is natural for the two countries to strengthen collaboration, so as to stabilize the global supply chains and take measures to boost global economic recovery and help improve global economic governance.

Another issue which Germany stands at the forefront of the EU is the battle against climate change. The German government has set ambitious targets to reduce greenhouse gas emissions by more than half by 2030 compared to the 1990 levels, with the ultimate goal of achieving carbon neutrality by 2045. The initiatives to achieve the climate goals include enhancing energy efficiency, promoting renewable energy, and implementing measures such as carbon pricing, tax incentives, public investment,

and funding programs for private enterprises.

China has taken the widest range of measures to cope with the climate crisis. Since China is one of the two biggest carbon emitters in the world, all global policies aimed at dealing with the climate crisis should take into account China's climate actions. China has made good progress in reducing its carbon emissions and, like Germany, invests strongly in renewable energy and clean energy technologies.

Sino-German collaboration on climate change can be fostered through the existing inter-governmental consultation mechanism. In fact, Chinese Premier Li Qiang has suggested that the two sides establish a partnership in fields such as green energy development, green finance and green cars.

Technological advancement is another important and challenging area for col-

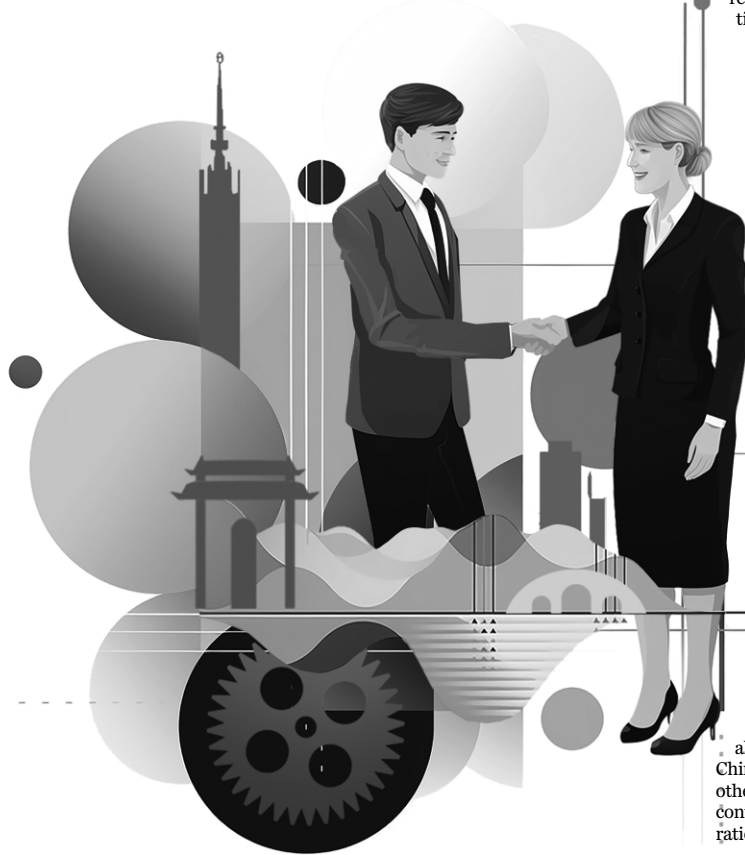
laboration between China and the EU. The ongoing developments in AI technology field can indeed be called a "high-tech revolution", which is transforming industries and societies. Substantial developments in artificial intelligence (AI), quantum computing and 5G have revolutionized sectors as varied as health-care and manufacturing.

China and the EU have complementary strengths in these areas: China is known for making advancements in AI technology and manufacturing, while the EU is recognized for its expertise on ethical issues, which will be helpful in regulating the AI and quantum computing sectors, and strengthening data privacy regulations. By establishing collaboration, China and the EU can ensure high-tech advancement is not only about leading the technological revolution but also about ethics, data privacy and security. Germany, with its strong focus on research and innovation, is well-positioned to play a key role in shaping such collaboration.

While the systemic competition between the two is a challenge, the collaboration between the EU and China could be beneficial for both sides. Through joint research, they could achieve major breakthroughs in AI, biotechnology and advanced manufacturing. Agreements on technology transfer and setting common standards for emerging technologies could allow businesses to access new markets, further promote innovations and reduce trade barriers. However, given the current level of mistrust between the two sides, they need to first develop mutual understanding and draft effective regulations to make such collaboration successful.

To master the future, we must acknowledge and embrace the importance of international collaboration. The global economy, climate change and technological advancement present big challenges for any country alone to handle. By working together, China and the EU can set an example for others to follow. With global tensions and conflicts on the rise, the need for collaboration is more urgent than ever before.

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Swaran Singh

The Global South should have a bigger voice

India has set several new benchmarks during its G20 presidency. To begin with, never before has any country holding the G20 presidency witnessed so many meetings in so many cities preceding the summit.

This year's G20 Summit, which concluded on Sunday, was preceded by more than 200 events in 60 cities. These multi-sectoral, multilevel meetings, and G20's dozen-plus officially engaged groups — such as Business 20, Science 20, Youth 20 and Women 20 — have produced the highest number of recommendations and added many new dimensions to the parleys.

Besides themes of climate finance, women-led development, sustainable development, agriculture and food security, digital public infrastructure and the ongoing Ukraine crisis, G20 policy priority has put the focus on the concerns of the Global South.

The revival of debate, and bringing the Global South to the centre-stage have already rid the term "Global South" of its conventional pejorative connotation. The term was coined by US academic Carl Oglesby to



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describe the centuries of dominance of some countries (of the North) over others (the South). This basically alluded to a hierarchical relationship between former colonial powers and colonized countries.

Since the 1970s the term "Global South" has become a nomenclature to describe the evolving solidarity between the developing and least-developed countries largely located in the southern hemisphere. Others use the term "Global South" to mean countries from Asia, Africa, Latin America and Oceania, barring Australia and New Zealand. But even today, the term remains fluid, with emerging market economies such as China and India identifying themselves as developing countries.

The travesty of this North-South divide lay in the fact that G20 deliberations had nevertheless continued to be an elite exercise among economists and policy wonks. The G20 had failed to appreciate how the exclusion of the Global South from their market-driven globalization had created an existential crisis for the overwhelming majority of the global population. More recently the rich countries' protectionist impulses have further accentuated the gap between the rich and the poor, both within and between countries.

Meanwhile, the countries of the Global South have continued to bear the brunt of the calamitous outcomes of urbanization- and industrialization-driven economics, resulting in the climate crisis and are still smarting under the devastating impacts of the COVID-19 pandemic and the Ukraine crisis-induced food, fuel, fertilizer and financing shortages and price hikes.

All this makes the inclusion of the Global South in any multilateral discussion a necessity. This is what India has sought to achieve during its G20 presidency.

Indeed, in the past couple of years, the G20 has also emerged as a grouping bridging the countries of the Global North and Global South, and bringing them together as equal partners. But the G20's efforts have largely been restricted to paying lip service. However, the G20 presidency, passing from Indonesia (2022) to India (2023) to Brazil (2024) to South Africa (2025) presents a golden opportunity to steer this powerful grouping's priorities and initiatives toward the Global South.

The Global South is projected to contribute about two-thirds of global growth by 2050. This explains why the Global South must be integral to G20 decision-making. Making the Global South integral to G20 decision-making will also facilitate, and accelerate, rich nations' partnerships with developing countries in trade, investment and technology transfer, as well as to address various global challenges. It is in this context that India has been making efforts to make the Global South integral to the G20.

During India's presidency, the G20 has seen major issues of the Global South such as digital public infrastructure, biofuels, farm products, traditional medicine, and lifestyles for sustainability emerging as the highlights. The efforts have been to ensure the G20 becomes even more diversified and democratic in order to enhance the legitimacy and efficacy of its future initiatives.

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John Milligan-Whyte

US, Chinese economies shouldn't abruptly divorce

The economies of the United States and China together constituted 43 percent of the global economy before the COVID-19 pandemic. The world's two largest economies' stability and growth are co-dependent. Neither the US nor the Chinese economy can be stable or coexist peacefully if one or both relentlessly play zero-sum games and launch economic attacks on the other.

The US and China are engaged in a destabilizing trade war while trying to deal with the economic problems caused by the pandemic, the Russia-Ukraine conflict, worldwide instability caused by the sudden 5 percent increase in US Federal Reserve interest rates, and China's slowing economic growth, which is a key driver of US and global economic growth, are some of the most prominent problems facing the global economy and the international community.

The pandemic exposed vulnerabilities in the global supply chains, prompting both the US and China to either "decouple" or "de-risk" from the other or create localized industries and new supply chains. Proponents of "decoupling" think it will allow the US and China to become more self-sufficient and less vulnerable to external shocks.

"Decoupling" appeals to US fears of China's economic growth and "Made in China 2025" goals. However, instead of using aggressive "decoupling" policies, the US' policy toward China should be more balanced, and designed to protect the economic and national security interests of both the US and China and enable them to coexist peacefully. Peace-

ful coexistence is essential for the economic and national security of both countries.

Viewed from China's perspective, many US policies are confrontational, contradictory, delusional and self-defeating because they seek to undermine China's goals and interests while requiring China's support for meeting the US' interests and goals.

In a speech she delivered on April 20 this year, US Treasury Secretary Janet Yellen said the US seeks a "constructive and fair economic relationship with China. We do not seek to decouple our economy from China's. A full separation of our economies would be disastrous." She added that "the US does not seek winner-take-all competition with China".

But, from China's perspective, US policies seem designed to prevent its development. The US' "decoupling", "de-risking" and "small yard and high fence" policies elicit a somewhat similar response from China.

Aggressive and rapid "decoupling" is counterproductive to both the US' and China's economic recovery and growth. US political leaders are under the delusion that aggressive policies can force China to change its behavior to suit US demands. But the reality is, China is responding by accelerating its focus on achieving its "Made in China 2025" goals.

Previous US president Donald Trump's aggressive protectionist policies have in many ways harmed US businesses. For example, US policies seeking to withhold high-end chips from China have led to chip shortages, which are



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hurting many industries in the US and the rest of the world. Incumbent US President Joe Biden has continued Trump's policies and added the "small yard and high fence" policy to ostensibly make the US policies seem less damaging to US businesses.

Such US policies are counterproductive because, as in the chip industry example, they assume that, despite the US restricting the sale of high-end chips to China, Washington can get Beijing to buy lower-quality chips from US companies, which depend on access to China's market for the revenue and profits they need to fund US high-end chip research, development and production.

It is prudent for the US and China to diversify the supply chains their economies rely upon in the medium to long term. But, in the short to medium term, the two largest economies will remain co-dependent on fragile worldwide networks of production, trade and investment.

Political leaders should also understand that ending US-China financial and economic co-dependence will require massive economic and financial restructuring, which can and probably will trigger catastrophic mistakes that will hurt both countries' economies.

Aggressive US "decoupling" policies are creating a frightening future for the entire world. The Financial Times' economics expert Martin Wolf warned earlier this year that the US is moving toward an all-round military conflict with China, because it views China as an enemy that must be suppressed. But since its economy is about 10 times larger than Russia's, China cannot be suppressed, and trying to harm China will put the US on the path to economic and military conflict with China.

It will be catastrophic if US or Chinese policymakers try to aggressively and rapidly restructure the global economy and financial system. American and Chinese policymakers need to work together to understand and implement how the economic growth and national security of the world's two largest economies and military powers can be gradually aligned to peacefully coexist.

Both countries' policymakers need to pursue "mutually assured prosperity" (MAP) rather than unleashing "mutually assured destruction" (MAD) in managing US-China economic competition. Pursuing MAP is necessary to protect the world's fragile financial and economic systems. The economic and national security of both the developed and developing countries depend on the American and Chinese policymakers pursuing MAP instead of following MAD policies.

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