

# COMMENT

## Editorials

### Will ‘China House’ offer something new or will it be simply more of the same?

The Joe Biden administration of the United States has launched its new “China House”, or the Office of China Coordination, at the State Department, to replace the previous China Desk, which no doubt indicates the significance the present US administration attaches to its China policy.

Compared to the China Desk, which was part of the State Department’s East Asian and Pacific Affairs Bureau, the new “China House” is obviously meant to play a bigger role in intra-department coordination.

It will reportedly have three main teams: one focused on traditional bilateral affairs; one that deals with strategic communication; and one “global” team, which focuses on Chinese activity overseas.

Considering the US administration’s positioning of China as a pacing competitor and its national security strategy placing so much emphasis on competition with China, there is no surprise in Washington taking such a move. The role Washington has assigned Beijing naturally calls for the old China Desk to be revamped. The real issue with US China policy, however, has little to do with what institution is charged with the matter, but a lot to do with how its occupants see China and evaluate relations with China. Since things have gone wrong at multiple levels in multiple aspects when it comes to the US’ perception of China over recent years, reason is increasingly a scarcity in Washington’s China policy circles.

The China House, for its idea to convene experts and China hands across the board to better inform

US decision-making, certainly has a chance to make a positive change. But it won’t be easy. After all, from the White House to Capitol Hill, today’s political consensus in Washington is in favor of upbraiding China.

Beijing’s proposals about stabilizing the relationship, on the other hand, have all but fallen on deaf ears. Although both Beijing and Washington say they are not seeking a new Cold War, with both sides vowing strategic communication and crisis management, the reality is the chill is settling in. Beijing is annoyed that Washington has been constantly escalating tensions over the past two years or so. The problem is not what institution Washington has coordinating the matter, but whether it can develop an objective perception of China, treating China for what it is and what it is doing, rather than what the China hawks think China is and imagine it is doing.

Many of the mutual perceptions of China and the US are problematic, because people hardly bother to check the reality when they can easily attract eyeballs with some sensational claim or other.

US Secretary of State Antony Blinken presiding over the official opening of the unit on Friday, said it will ensure the US is able to “responsibly manage” competition with China. It is to be hoped that is indeed the case, and that the China House does not lapse into the easier course of entrenching its predecessor’s lowest common denominator approach that curried bipartisan favor at the expense of meaningful engagement with Beijing.

### Japan’s new security strategy disconcerting

In the three security and defense documents Japan adopted on Friday, China was described as “an unprecedented strategic challenge”, which marks a milestone shift from nine years ago when China was depicted as a strategic partner in the first national security strategy Japan released in 2013.

What does the shift mean and what is behind it? China has done nothing to warrant such a reaction from Japan. China’s leaders have reiterated time and again that it only seeks a peaceful rise, as verified by what it has been doing: the Belt and Road Initiative and various kinds of partnerships it has sought for economic cooperation with other countries. It has been Japan’s largest export market and its largest trading partner for years.

It is natural for the two countries to have differences on a wide range of issues. It is also natural for China, the world’s second-largest economy with the world’s largest population, to have a defense capability that is compatible with its status as a major country and fit for the times.

It was Japan which invaded many countries during World War II, and it was invading Japanese forces that committed horrible atrocities in China and other countries. If there is any potential threat to peace in East Asia, it should be the revival of the militarist mentality in the minds of Japanese politicians.

Describing China as “an unprecedented threat” is only a pretext Japan’s Cabinet is using to expand its military. That explains why Japanese Prime Minister Fumio Kishida early this month set a new target for military spending over the next five years of 43 trillion yen (\$318 billion), an almost 60 per cent increase over the figure of 27 trillion yen between 2019-23.

It is not so much China posing a threat to Japan as some Japanese politicians in power having the ambition to develop Japan into a strong military power.

By fast expanding its military capability, Japan is embarking on a road that is contrary to its so-called pacifist Constitution, which Japan’s right wing politicians have tried to revise. The expansion of its military might is the de facto revision of the Constitution, which warrants vigilance of its neighbors in East Asia against the rise of Japanese militarism.

When it comes to China-Japan ties, labeling China as “an unprecedented challenge” is against the spirit of the four political documents signed between the two countries, and undermines political trust between the two nations as well.

Given its history of invasion of a number of countries in East Asia, Japan’s expansion of its military capability undoubtedly poses a potential threat to peace in the region, and its neighbors have enough reason to be suspicious of the motivation behind its expansionist new security strategy.

### Key meeting puts focus on stable growth

The Central Economic Work Conference held in Beijing last week has naturally attracted attention, given the difficult year the Chinese economy has endured.

The meeting vowed that growth, employment and prices will be stabilized and stressed that “the Chinese economy will continue to seek progress while maintaining stability next year” and overall improvement in economic performance will be promoted to achieve “effective qualitative improvement and reasonable quantitative growth”. These statements provide clear guidance for next year’s economic work.

The World Bank cut its forecast for global economic growth next year to 1.9 percent from its June forecast of about 3 percent. Against this backdrop, it is crucial that China keep its economy running smoothly. The pandemic has not changed the fact that China is the most promising consumer market in the world, and the conference suggested that priority should be given to reviving and expanding consumption, primarily by expanding domestic demand.

The conference also stressed the importance of developing innovation as a driving force. It urged the country to accelerate its research and development, and the application and promotion of cutting-edge technologies such as new energy, artificial intelligence, biological manufacturing, green and low-carbon technologies and quantum computing.

If properly implemented, the application of technology can also accelerate the transformation and upgrading of traditional industries helping to drive the sustainable development of the economy and

forge new competitive advantages in the country’s pursuit of carbon peaking and neutrality goals.

Opening-up was another clear message from the conference. It stressed the need to promote high-level opening-up, steadily expand institutional opening-up based on rules, regulations, management and standards, and making greater efforts to attract and utilize foreign investment.

Ranging from raising the quality and level of trade and investment cooperation and increasing openness in the modern service sector to ensuring the national treatment of foreign-funded enterprises and actively promoting accession to high-standard economic and trade agreements, the series of measures highlighted by the conference, if carried out, will provide a broader and more secure space for foreign investment to develop in China.

After suffering from uncertainties and risks for so long, the conference offered some hard-earned predictability to the market with the commitment it has demonstrated to the continuity and consistency of pro-growth and pro-opening-up policies.

Market entities should now have a stronger sense of certainty and confidence that the difficulties of the pandemic will start to recede.

With the optimizing of the epidemic response, an overall improvement is expected in the country’s economic performance next year and the country will seek to foster its new development paradigm, make fresh strides in advancing reforms to promote high-quality economic development and pursue a higher-standard open economy.

Song Chen



## Opinion Line

# Pioneering move to sort out powers and responsibilities

With the approval of the central government, Hainan has set up the country’s first provincial business environment construction department, which is responsible for coordinating efforts to improve the business environment in the province, providing relevant government services and promoting data sharing.

The provincial business environment construction department integrates the relevant responsibilities of the provincial government’s e-government office, the provincial development and reform commission, the provincial government service center, and the provincial big data management bureau, among others. It will be responsible for dealing with business environment issues in six aspects, including supervision, and strive to achieve a domestic first-class business environment in general by 2025, and to optimize the business

environment by 2035.

Hainan has already issued more than 40 regulations and important policies related to the improvement of its business environment, and released 29 demonstration cases of business environment innovation.

These have been well-received. By the end of the third quarter of this year, the growth rate of market entities in Hainan had been the highest in China for 31 consecutive months. The establishment of the new department in Hainan can be seen as a result of these previous explorations. It will straighten out the rights and responsibilities in terms of institutional mechanisms and in so doing provide reference experience for solving the prominent problems existing in the current business environment.

For instance, in the case of data sharing, various government departments in a local area own a large amount of government data.

The existence of administrative barriers makes it difficult for the data to be shared. The new department can help break the barriers so that the data can be efficiently shared. It will keep an eye on the first-class business environment goals, and be the “construction team” of the province’s business environment construction project, the “shop assistant” of market players and the masses, and the innovator for the free trade port’s business environment system.

The move will naturally prompt city and county governments to set up such a department at their respective level so as to form a complete system of government departments in this regard.

A good business environment directly boosts investment and the economy. Hainan will prove to the rest of the country that all input in this regard is well worth it.

— LEGALDAILY.COM.CN

### Preparations key to curbing rural epidemic

With the approach of the Lunar New Year, the central authorities have called on rural areas to adopt a scientific and effective response to the novel coronavirus epidemic.

Many cities in China are at the peak of infections and transmission. With the arrival of the home-ward rush, the virus will take it as an opportunity to spread from the cities to villages. Rural areas generally have scarcer medical resources and have a large number of elderly and children. How to deal with the impact of the upcoming cluster infections will be a great test of the local authorities’ capabilities.

Medicines and other medical resources need to be distributed, the capacity of township health centers must be boosted and children and the elderly have to be vaccinated as soon as possible. Local

governments must get ahead of the game and think through the details so they don’t have to respond to an emergency in a panic.

Connecting urban hospitals with rural areas is a key part of this work. As the central government has urged, all localities should select capable hospitals in cities with strong comprehensive strength and establish a matching support mechanism with respective counties to form a hierarchical diagnosis and treatment connection mechanism so as to channel urban resources to rural residents in an orderly and predictable way.

Since rural areas are large and sparsely populated, the coverage of individual medical institutions is ultimately limited. More targeted measures are needed to ensure that

rural residents have access to timely medical services. For example, some places have vigorously promoted the service of family doctors, and built a service grid in which members of village public health committees, rural doctors and volunteers can effectively participate in health management. This can expand the coverage of rural health care and the number of participants.

Loudhailers in villages can also be used to inform rural residents of preventive and control measures and what to do if they are infected.

In other words, the epidemic response in rural areas should be tailored to the characteristics of rural areas, make good use of rural conditions and facilities, and be target-oriented.

— LI YANG, CHINA DAILY

## What They Say

# Inflation knocking on door of No 10 Downing St

The situation facing UK Prime Minister Rishi Sunak is no better, if not worse, than that which his predecessor faced during her brief tenure. From this week until the Christmas break, workers in many sectors will be on strike.

Sunak has held two emergency meetings in an attempt to resolve the disputes. But to no avail.

Nurses, teachers, railway workers, postmen and some civil servants are all on strike this month demanding higher pay, longer paid leave and better welfare amid the unchecked attacks on their spending power and the high inflation that has affected the quality of life of people in the UK.

The UK’s inflation hit a 41-year high of 11.1 percent in October. Although it fell slightly in November,

it was still 10.7 percent. A recession has become inevitable.

Indeed, since the third quarter of this year, the UK’s GDP has shrunk quarter-on-quarter, making the UK the only G7 country that has not yet regained its pre-pandemic output.

In contrast, the economies of the United States, France, Germany and even Italy have all expanded.

The current wave of discontent in the UK is being seen as the country’s second “winter of discontent” as it recalls the situation in 1979. That may explain why Sunak has chosen to be so tough in dealing with the wave of strikes as he wants to play hardball with the unions, mirroring Margaret Thatcher’s headline attitude during the winter of 1979.

Reportedly, Sunak may also consider introducing tougher anti-

strike laws next year, following in the footsteps of the United States. This has provoked more anger among UK workers.

Sunak, who comes from a wealthy family, has no real conception of the hardships many people in the UK are struggling with and he is keen to adopt a tough attitude toward the labor disputes to gain support within his party. This has led some to wonder if Sunak’s Cabinet may falter if the labor disputes and inflation cannot be resolved in time.

If the labor disputes remain unresolved, the fate of Sunak’s Cabinet will be determined by the direction of UK inflation. The best guess now is that the UK’s inflation will start to fall in the early spring of next year.

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