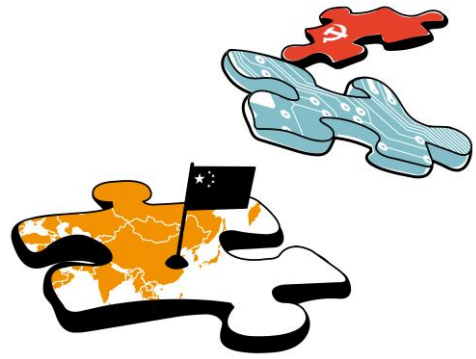


FEBRUARY 10, 2022

# MERICS China Essentials



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**MERICS**

Mercator Institute for China Studies

## TOP STORY

### Xi's Olympic diplomacy seeks to cement China's position as an alternative to the West

Despite calls for a diplomatic boycott by the United States and a few other countries, over 30 world leaders traveled to China to attend the opening ceremony of the 2022 Winter Olympics and to meet with President Xi Jinping. For Xi, it was an opportunity to score diplomatic points amid ongoing tensions with the United States and Europe.

The most notable of these meetings was with Russian President Vladimir Putin, in what was Xi's first in-person encounter with another head of state since the beginning of the pandemic in 2020. Afterwards, Beijing and Moscow released an unprecedented joint statement re-emphasizing their partnership and outlining their ambitions for a reformed global order, including backing each other's positions over Ukraine and Taiwan and committing to increased cooperation against Western alliances.

Meanwhile, Argentinian President Alberto Fernandez used his visit to Beijing to officially join the Belt and Road Initiative (BRI). Fernandez presented the move as a way for Argentina to reduce its dependence on the United States and the IMF at a time when the risk of default is high. For Beijing, the decision is an economically risky one, but nonetheless a geopolitically strategic move.

Poland was the only EU member state to send an elected leader to the Games. President Andrzej Duda met bilaterally with Xi, who pledged to strengthen ties between the two countries despite Washington's opposition to the warmer relationship between Beijing and Warsaw.

**MERICS analysis:** "The diplomatic boycott by several countries – whether formal or informal – has damaged China's plans for a diplomatic show of force around the Olympics. But the fact that over 30 countries have sent dignitaries to Beijing despite this boycott and despite the ongoing Covid-19 pandemic is evidence of China's growing global power and of its appeal in certain regions of the world as a potential alternative to the Western-led global order," says MERICS Lead Analyst, **Helena Legarda**. "In this regard, the Beijing-Moscow joint statement is highly significant. The fact that it seems to reflect Beijing's language and priorities more than Moscow's is a sign of the uneven balance of power in the relationship."

#### Media coverage and sources:

- Independent: [Xi meets Polish and Pakistan leaders in Olympics diplomacy](#)
- Xinhua: [Argentina and China sign MoU on Belt and Road Initiative](#)
- News.cn (CN): [China-Russia joint statement](#)
- Guancha (CN): [Guest list of over 30 foreign dignitaries](#)

## METRIX

# 6.01 billion CNY

The total box office [revenue](#) in China during the week-long Spring Festival holiday. Equivalent to about USD 941 million, it is 21 percent lower than last year's total haul of CNY 1.2 billion. Traditionally one of the most popular movie-going periods in China, this year's overall receipts were dampened by outbreaks of the omicron variant in several large cities and by higher ticket prices, which deterred families. The decline comes at a time when China's screens have been cutting back on foreign content, which accounted for just 13 percent of overall films screened in the country last year, down from 20 percent in 2020. Last year, Hollywood titles "Nomadland" and "Shang-Chi and the Legend of the Ten Rings" were hit by Chinese nationalist backlashes and pulled from screens in China.

## TOPICS

### China's nuclear technology secures new overseas contract and nod from UK regulators

**The facts:** Closer ties between Argentina and China have paid dividends for China's nuclear sector. On February 2, state-owned China National Nuclear Corp. (CNNC) inked a deal to build a USD 8 billion nuclear power plant in Argentina using China's Hualong One technology. Meanwhile, in the UK, after a five-year review process, regulators approved the Hualong One nuclear reactor design based on its environmental protection and waste management standards. The reactor could be used at a plant in southeast England.

**What to watch:** Wariness of Chinese involvement in critical infrastructure means that Chinese nuclear firms will likely need to look beyond North America and Western Europe to finalize further contracts. The focus will be on more cooperation with BRI partners. Prospective plants using Chinese technology are under consideration in countries such as Iran, Turkey, Kenya and Egypt. Despite few new announcements in recent years, growing pressure to reduce carbon emissions could accelerate the completion of deals.

**MERICs analysis:** "China aims to capitalize on both the decarbonization and economic potential of the nuclear industry," said **Alexander Brown**, Analyst at MERICs. "Already largely self-sufficient in reactor design and construction, China is investing heavily in the development of new technologies such as small modular reactors. These have the potential to be safer, more affordable and more flexible in their deployment."

#### Media coverage and sources:

- Reuters: [China inks USD 8 billion nuclear power plant deal in Argentina](#)
- UK Government: [Regulators finish design assessment of new nuclear power station](#)
- World nuclear association: [Country profile China](#)

### Censored Peking University report questions China's pursuit of tech self-reliance

**The facts:** Decoupling harms China more than the United States, concludes the Peking University Institute of International and Strategic Studies in a report that was later scrubbed from the internet. The report highlights China's technological deficits in areas like semiconductors, operating systems, biotechnology and aircraft engines, considering academic papers, patents, investments, numbers of highly skilled workers and influence in international organizations. However, the report's true novelty is in its focus on the negative impacts of decoupling rather than promoting domestic solutions (such as increasing basic research funding or reforming the innovation system). As a result, it implies that it is in China's interest to mend its relations with the US.

**What to watch:** The fact that the report was censored shows that there is less tolerance for questioning China's pursuit of tech self-reliance. Wang Jisi, the institute's director and report's lead author, is an authority on US-China relations, with ties to US political elites tracing back to the 1980s. Wang says that the continuation of the status quo in 2022 would be the best China can hope for, whereas an escalation of US restrictions on tech investments, research collaborations and educational exchanges, as well as the breaking down of people to people interactions would be detrimental.

**MERICs analysis:** "Although the report does not mention the EU, it rightly points out that the West still has leverage over China in several high-tech areas," says **Jeroen Groenewegen-Lau**, Senior Analyst at MERICs. "On the other hand, the report points out that China has quickly become a leader in fields like telecommunications and harbor and railway equipment, while being in open competition with the West in areas such as brain-computer interfaces, quantum communication and AI. Europe should join the fray, especially in these latter technology areas."

**Media coverage and sources:**

- Peking University Institute of International and Strategic Studies (CN): [技术领域的中美战略竞争：分析与展望 \(U.S.-China Strategic Competition in Technology: Analysis and Prospects\)](#) (USCNPM)
- Sina (CN): [王缉思：中美和平能够基本保障 但要警惕擦枪走火的可能性 \(Interview with Wang Jisi on China-US relations, published on 1 February\)](#)
- Asia Times: [Academic report unveils China's high-tech bottlenecks](#)

**Case of chained woman in Xuzhou highlights lack of women's rights in China**

**The facts:** A video of a woman chained in a squalid shed in Feng County, near Xuzhou in China's Jiangsu province has sparked outrage and public criticism of official oversight. In the clip, which went viral online, the mother of eight children was seen dressed in thin layers, despite the freezing cold, with a metal chain around her neck.

Local authorities claimed the woman had been diagnosed with a mental illness and initially cleared her husband of any wrongdoing. Online users, meanwhile, speculated that the woman could be a victim of bride-trafficking and domestic abuse, and that she had

been forced against her will to have eight children. Censors quickly stepped in to take down the original video, and some related hashtags on Weibo were removed.

**What to watch:** China is set to review proposed changes to its Law on the Protection of Women's Rights and Interests. Draft revisions published last December included a widened definition of sexual harassment, which will count actions such as sending sexually explicit images or pressure to enter into a relationship in exchange for favors. If passed, women will also be able to ask for compensation for housework in a divorce (please also see the book review in this issue).

However, this should not be taken as a triumph for women's rights in China. The crackdown on feminist social media accounts and online forums discussing women's rights intensified last year. And it is likely to continue under Beijing's ongoing campaign to wipe out "radical" views online and "Western" movements like #metoo, which Chinese authorities view as destabilizing forces.

**MERICS analysis:** Apart from putting the spotlight on the mistreatment of mentally ill patients in rural China, the case highlights the grave lack of legal enforcement against domestic abuse and bride-trafficking in the country. Tightening legal provisions looks good on paper. However, in reality, women's rights remain precarious under Beijing's broader campaign to maintain political and social stability.

**Media coverage and sources:**

- New York Times: [Video of mentally ill woman chained in shack stirs anger in China](#)
- What's on Weibo: [Follow-up to the story of the Xuzhou mother chained in hut](#)
- The Diplomat: [China's lawmakers take more cautious steps against workplace sexual harassment](#)

## VIS-À-VIS

### François Godement: "The perception of China has changed"

François Godement has spent many decades observing and commenting on relations with China. A former professor at the Paris based Institute of Oriental Languages and Civilizations and at Sciences Po, he is currently Senior Advisor for Asia at the Institut Montaigne, non-resident fellow of Carnegie (Washington) and an external consultant for the policy planning staff of the French Ministry for Europe and Foreign Affairs. In this interview, he talks about the priorities of the French Presidency of the EU with regard to China.

#### **What are the French Presidency's key objectives in relation to China?**

It is a first of all a continuation of previous policy: cooperation, competition and systemic rivalry, as outlined in the EU Commission policy paper in March 2019. During the German presidency, Mrs. Merkel came down more strongly than expected on the side of engagement, for example promoting the signing of the Comprehensive Agreement on Investment. President Macron has not disagreed with that. I think the French are waiting

to see what the exact balance in the German coalition government is. And for that reason, there is restraint regarding the idea of breaking away from some of the patterns of negotiation with China of the previous Presidency.

**What have been the key issues driving the French China policy during Macron's presidency?**

Again, it's continuity, in three directions. The overall turn in French policy started under President Sarkozy. The key event was the 2008 Beijing Olympic clash with China over Tibet. Relations never went back to the old days after this. France has sought to diversify its partnerships among emerging economies, and to create economic defenses at the level of the European Union. And although President Macron gave an enthusiastic speech about the Chinese Belt and Road Initiative (BRI) in February 2018, the fine print was on the need for China to follow European and international rules. Finally, there is "strategic autonomy" for Europe.

**President Xi Jinping has talked consistently about China's hope that Europe will pursue the "correct understanding of its strategic autonomy". How does Paris view this?**

The idea that strategic autonomy means dis-alignment with the US is a traditional position of the Chinese. I don't think they put much hope in it, but they never cease to hint at the potential rewards. What I look for is, are there any strong Chinese offers that would be a justification for the EU moving to a new stance? So far, I haven't seen them.

**What recommendations would you give officials involved in shaping China policy for 2022?**

The perception of China has changed – people have realized that China is playing hardball. There is always the temptation to say that if you reengage China, it will alter its path and pay back for reengagement. But that has not happened up to now. The track record is that the Chinese interpret European engagement as weakness. The other issue is the notion that you can confine the problems at the EU level, while dealing bilaterally with China on your own economic, commercial and investment interests. That doesn't work. Italy learned it the hard way after being the first G7 country to sign a memorandum on the BRI. So, my current recommendation is to reinforce the tools that allow Europeans to withstand Chinese coercion and counter the asymmetry of rules: to create sticks, not only carrots. If Europe has a stronger and faster capacity to act, its economic leverage in relations to China will become very significant.

**More on the topic:** Listen to the full version of this interview in the latest episode of the MERICs EU-China Podcast.

[The French EU Council Presidency, with François Godement | Merics](#)

## REVIEW

**Divorce in China: Institutional Constraints and Gendered Outcomes, by He Xin (New York University Press, 2021)**

As Mao once famously noted: “women hold up half the sky”. Today it is little more than a cliché, as China is still far from achieving gender equality. In *Divorce in China*, legal scholar He Xin highlights one factor that contributes to this inequality: China’s legal system. The premise of the book is that courts in China are pressured to process cases as quickly as possible, while at the same time minimizing the appeal rate and preventing possible social disorder that might occur as a result of a court verdict. Reflecting the book’s subtitle, He convincingly demonstrates how these institutional constraints impact the rights of women in China.

The gendered outcomes He describes fall into two categories. Judges typically outright deny women’s first-time divorce petitions. This denial commonly aggravates issues such as domestic violence and abuse in the six months period until a second petition can be filed. Second, when women succeed in filing for divorce (often in their second attempt), judges sacrifice their rights to custody, the marital house, or child support in order to pacify the husband and prevent appeals or social disorder.

*Divorce in China* combines a thorough analysis of China’s legal system in a broader sense with gripping first-hand accounts of divorce cases. He spent over ten years observing divorce cases throughout China, building personal relationships with judges, and attending closed-door mediation sessions. These captivating stories enlighten both our understanding of legal challenges and gender issues in China.

Change may, however, be afoot. Just months after the release of the book, China’s Supreme People’s Court released new guidelines for the evaluation of judges that change the institutional constraints under which judges operate. Readers should look out for follow-up analyses as the impact of these changes materialize.

Reviewed by **Vincent Brussee**, MERICS Analyst

#### **Media coverage and sources:**

- [Guidelines for the evaluation of judges](#) (English analysis)

## **MERICS CHINA DIGEST**

### [China’s ambassador to US warns of possible military conflict over Taiwan \(The Guardian\)](#)

In an interview with National Public Radio (NPR) China’s ambassador to the US Qin Gang said: “If the Taiwanese authorities, emboldened by the United States, keep going down the road for independence, it most likely will involve China and the United States, the two big countries, in the military conflict.” (22/01/28)

### [US adds China’s Wuxi Biologics to “Unverified List” \(Wall Street Journal\)](#)

Two units of Wuxi Biologics, a Jiangsu-based company and one of China’s most valuable biotech firms, were added to an “unverified list” by the US Commerce Department on Monday. The move raises hurdles for the firm’s access to equipment as it restricts an entity’s ability to receive US exports. (22/02/08)



[Chinese star Peng announces retirement from tennis, dismisses safety concerns \(Radio Free Asia\)](#)

Chinese tennis star Peng Shuai has denied that she had made any allegation of sexual assault by former vice premier Zhang Gaoli in an interview with the French newspaper L'Equipe. She also announced her retirement from professional tennis. (22/02/07)

[China to launch chip making platform as it targets Intel and AMD \(Asia Nikkei\)](#)

Beijing plans to launch a new platform for cross-border collaboration between Chinese and overseas semiconductor firms such as Intel. Foreign governments are likely to be wary of this effort which could fears that sensitive technology will be transferred to China. (22/02/02)

[Britain joins EU-China WTO challenge over Lithuania \(Reuters\)](#)

The UK will back the EU trade case against China at the World Trade Organization (WTO). The European Union launched a challenge at the WTO in January, accusing Beijing of discriminatory trade practices against Lithuania that according to Brussels threaten the integrity of the EU's single market. (22/02/07)

[As Hong Kong tightens Covid restrictions again, residents complain of being held 'hostage' \(The Guardian\)](#)

The Hong Kong government has announced new restrictions in response to a surge in Covid cases. In a viral open letter, a member of the Facebook group HK Moms accused the government of holding its citizens hostage with the new measures – the toughest restrictions since June 2020 (22/02/09)



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