

# Report

## Round Table

# Issues and Themes in China's National People's Congress

5 April 2025 | 3:00 PM IST

### Speakers



Sreemati Chakrabarti



Ashok K. Kantha



Anand P. Krishnan



Ritu Agarwal



Rityusha Mani Tiwary



Usha Chandran

### Moderator



Manoranjan Mohanty

## **CONTENTS**

<b>The Panellists</b>	<b>3</b>
<b>Key Takeaways</b>	<b>4</b>
<b>Report</b>	<b>13</b>
<b>Image Gallery</b>	<b>22</b>
<b>Institutional Profile</b>	<b>24</b>

## **The Panellists**

### **Moderator**

**Manoranjan Mohanty**, former Professor of Political Science; and, former Director, Developing Countries Research Centre, University of Delhi; Distinguished Professor, Council for Social Development; Emeritus Fellow, Institute of Chinese Studies, New Delhi.

### **Speakers**

**Sreemati Chakrabarti**, former Professor, Department of East Asian Studies, University of Delhi; Chairperson and Honorary Fellow, Institute of Chinese Studies, New Delhi.

#### **“The National People's Congress of China: Origins and Evolution”**

**Ashok K. Kantha**, former Ambassador to China; Honorary Fellow, Institute of Chinese Studies; Distinguished Fellow, Vivekananda International Foundation, New Delhi.

#### **“China's Economic Balancing Act: Exports vs. Consumption”**

**Anand P. Krishnan**, Fellow, Centre of Excellence for Himalayan Studies, School of Humanities and Social Sciences, Shiv Nadar University; Adjunct Fellow, Institute of Chinese Studies, New Delhi.

#### **“China’s Private Sector and Increasing Vote of Confidence from the Party-state”**

**Ritu Agarwal**, Associate Professor, Centre for East Asian Studies, School of International Studies, Jawaharlal Nehru University; Honorary Fellow, Institute of Chinese Studies, New Delhi.

#### **“Back to Countryside? New Trends in Rural Revitalization”**

**Rityusha Mani Tiwary**, Department of Political Science, Shaheed Bhagat Singh College, University of Delhi; Honorary Fellow, Institute of Chinese Studies, New Delhi; Associate Editor, China Report: A Journal of East Asian Studies.

#### **“China's Indigenous Innovation: Is Chinese AI the Curveball?”**

**Usha Chandran**, Assistant Professor, Centre for Chinese and South East Asian Studies, School of Language, Literature and Culture Studies, Jawaharlal Nehru University; Honorary Fellow, Institute of Chinese Studies, New Delhi.

#### **“Women to Rejuvenate the Nation by Reproducing More: Is Creating ‘Mom Jobs’ the Answer?”**

## **Key Takeaways**

### **Welcome Remarks by Dr. Snigdha Konar**

- The roundtable centred on discussions emerging from China’s 2025 National People's Congress and Chinese People's Political Consultative Conference (CPPCC) sessions. Held from 5–11 March, these twin sessions remain essential to decoding China’s political and policy shifts. Their relevance lies in highlighting evolving governance frameworks and national strategies.
- In the Welcome Remarks , Dr. Konar described the two sessions as pivotal annual moments in China's political calendar, and stated that they offer a lens into the country’s institutional mechanics, leadership direction, and developmental goals. Understanding their trajectory is vital to grasping China’s domestic and global positioning.
- Introducing the theme of the roundtable discussion, Dr. Konar noted the relevance of analysing China’s policy ventures and initiatives, She further stated that the event seeks to examine key governance issues such as China’s economic transformation and rural revitalisation. It also investigates the state’s renewed engagement with the private sector and labour market reforms. These themes reflect China’s efforts to recalibrate its policy architecture.
- Furthermore, gendered labour policies and state-encouraged fertility frameworks form a notable part of new policy directions. The inclusion of themes such as “mom jobs” signals how demographic anxiety informs policy choices. It shows the NPC’s engagement with intimate dimensions of social engineering.
- Dr. Konar concluded by stating that these deliberations shall deepen the understanding of China’s policy direction, and that the roundtable aims not only to analyse but to encourage thoughtful debates on pressing domestic issues in China.

### **Opening Remarks by Prof. Manoranjan Mohanty**

- Prof. Mohanty began by reflecting on the revival of the annual roundtable tradition post-COVID. He emphasised the importance of collective engagement with China's legislative

sessions, and stated that this event renews a valuable academic space for decoding evolving state discourse.

- According to Prof. Mohanty, reading the National People's Congress (NPC) documents is an act of critical textual interpretation, not passive consumption. He urged scholars to observe what has been stated, implied, and left unsaid within these texts. This deep reading helps unpack both continuities and discursive shifts in state priorities.
- The government work report is positioned as China's most comprehensive policy articulation. Unlike symbolic statements elsewhere, it integrates multiple policy streams into one coordinated narrative. This makes it a vital source for understanding China's administrative cohesion.
- Prof. Mohanty stressed that NPC reports are often mischaracterised as mere propaganda or rubber-stamp outputs. He challenged this reductionist view by advocating a close analysis of terminology and framing. He noted that such scrutiny reveals deeper ideological and strategic messaging.
- According to Prof. Mohanty, new phrases such as “Peace Development Initiative” point to evolving diplomatic postures within Party rhetoric. Spotting these lexical innovations is key to identifying China's changing global outlook. The language signals internal alignment on international positioning.
- He listed the top nine policy targets outlined in Premier Li Qiang's 2025 report. These range from 5% GDP growth, grain output, and energy efficiency, to job creation goals. They collectively represent the state's social contract with its citizens.
- Prof. Mohanty stated that particular emphasis has been placed on income equality and urban employment. A target of 12 million new urban jobs reflects concern over mounting youth and structural unemployment.
- According to Prof. Mohanty, environmental benchmarks — such as 3% energy use reduction per unit of GDP — indicate a growing climate focus. The report also reflects China's intent to meet carbon reduction commitments despite industrial pressure. Green policy is positioned not as peripheral, but as central to development.

- Prof. Mohanty concluded his remarks by underlining the significance of taking the NPC seriously in scholarship. Rather than treating it as a state ritual, it should be approached as a barometer of China's political pulse.

**Prof. Sreemati Chakrabarti, “The National People’s Congress of China: Origins and Evolution”**

- Prof. Chakrabarti traced the historical evolution of the National People’s Congress (NPC), highlighting its origins influenced by the Soviet model and its institutional consolidation post-1978 under Deng Xiaoping’s reforms.
- She underscored how the NPC evolved from sporadic sessions into a key legislative body, aiding governance stability and economic modernisation.
- Prior to the establishment of the National People's Congress (NPC), China convened the Chinese People’s Political Consultative Conference (CPPCC) in September 1949. Functioning in a capacity akin to that of India's Constituent Assembly, the CPPCC was responsible for drafting the nation’s first constitution
- It was emphasised that a significant transformation took place after 1978, when Deng Xiaoping initiated reforms aimed at institutionalising both the Communist Party and the state apparatus.
- Between 1954 and 1978, sessions of the NPC were held irregularly, largely due to severe political upheaval and internal power struggles within the Communist Party. Notably, the Fourth NPC, convened in 1975 during the Cultural Revolution, adopted a new constitution that eliminated several major state institutions and offices.
- Prof. Chakrabarti also examined the evolution of party-state relations, with particular focus on the Deng era. Deng Xiaoping’s political reform agenda aimed to delineate the functions of the Communist Party and the government by prohibiting the holding of dual positions, dismantling parallel party organs within state institutions, and implementing civil service reforms to promote merit-based recruitment.

- In conclusion, she contended that the institutionalisation of the NPC formed part of a broader effort to establish a stable and predictable political framework capable of underpinning China’s economic modernisation.

**Mr. Ashok K. Kantha, “China's Economic Balancing Act: Exports vs. Consumption”**

- Mr. Kantha argued that China’s dual circulation strategy, aimed at reducing reliance on exports and boosting domestic consumption, remains under-fulfilled. Private consumption lags behind global standards, and financial policies fail to empower households. He also stated that income redistribution and deeper reforms are essential.
- With weak domestic demand and a deflationary trend, China has increasingly leaned toward exports for growth. The 2024 trade surplus neared \$1 trillion, even as consumer and producer price indices hovered near or below zero. According to Mr. Kantha, this model echoes Japan’s “lost decades”.
- President Xi Jinping has resisted direct stimulus and welfarism for years, focusing instead on self-reliance and innovation. It was only in late 2024 that significant fiscal and monetary measures were brought in, marking a shift.
- Mr. Kantha noted that China's fiscal deficit target rose to 4%, with real figures projected closer to 8.6% in 2025. FITS downgraded China’s long-term rating, citing fiscal instability and ineffective policy tools. The credibility of official growth targets is also being questioned.
- Cumulative US tariffs now amount to nearly 70–76% on Chinese goods. Mr Kantha pointed to the fact that Beijing’s strategy of re-routing exports via Vietnam and Mexico has been neutralised by American clampdowns. Additionally, the removal of the *de minimis* clause cuts off a \$60–70 billion trade route.
- Mr. Kantha highlighted that China’s high-tech, innovation-led export push distorts global markets and threatens deindustrialisation elsewhere. Scholars argue that without reforming its mercantilist tendencies, China’s growth model will face global backlash. The road ahead, therefore, is turbulent — for China and the world.
- He further argues that despite policy declarations since 2020, domestic demand has not taken the lead in driving China’s growth. Consumption remains around 38–39% of China’s

GDP — far below that of comparable economies. Furthermore, core issues such as social security gaps and income inequality also hinder progress.

- The 2021 real estate crisis severely weakened consumer confidence and household wealth. Combined with inadequate social safety nets, Mr. Kantha noted, it stalled any meaningful rise in domestic consumption. These systemic issues further destabilise internal circulation goals.
- Premier Li Qiang’s 2025 work report placed top priority on “vigorously boosting consumption”, indicating a pivot from the earlier focus on supply-side and technological reforms. Textual analysis of official language shows this shift clearly, marking a policy recalibration.
- China’s reliance on high-tech exports to offset domestic stagnation risks global economic distortions. The speaker argued that emerging economies like India could face industrial setbacks due to China’s dominance in future industries. The situation is generating serious concern worldwide.

**Dr. Anand P. Krishnan, “China’s Private Sector and Increasing Vote of Confidence from the Party-state”**

- Dr. Anand P. Krishnan highlighted the rising prominence of China’s private sector, which now drives the majority of GDP, innovation, and employment, signalling a growing vote of confidence from the Party-state.
- Recent policy shifts under Xi Jinping have focused on protection, innovation, and national rejuvenation, particularly through the involvement of private enterprises. Dr. Krishnan also emphasised the increasing global influence of Chinese private firms, especially in the technology and infrastructure sectors.
- Dr. Krishnan noted that the private sector encounters substantial challenges, such as local protectionism and law enforcement driven by revenue needs within financially strained local governments. These concerns were raised in Premier Li Qiang's 2025 work report.
- The speaker highlighted that there is a push for firms to adopt modern structures that incorporate distinctively “Chinese characteristics”. This marks a shift in the Party-state’s approach, moving from previous regulatory crackdowns to a more collaborative framework.

- Dr. Krishnan argued that China's private sector is central to the nation's global aspirations. Private enterprises are leading outbound investments and significantly influencing global supply chains, particularly in sectors like electric vehicles, digital technology, and solar energy.

#### **Dr. Ritu Agarwal, "Back to Countryside? New Trends in Rural Revitalization"**

- Dr. Agarwal argued that rural revitalisation is no longer a peripheral concern but a central pillar of China's development strategy. The widening rural-urban divide and demographic shifts have made rural renewal a political and economic necessity. This aligns with China's broader goal of becoming a global power rooted in balanced internal development.
- The speaker highlighted that China's countryside faces a deepening crisis involving population decline, land misuse, and industrial stagnation. Ageing communities, left-behind children and women, and idle farmlands underscore systemic neglect. Each of these areas calls for a targeted and comprehensive policy response.
- The government is repurposing rural landscapes into zones for eco-tourism, leisure, and cultural experiences. Urban residents are encouraged to see the countryside as a place for retreat and rejuvenation. This vision positions rural areas not just as agricultural bases but as lifestyle destinations.
- Since 2004, China's Central Document No. 1 has annually emphasised rural issues, reflecting ongoing commitment. The 2025 document introduces legal avenues such as rental, shareholding, and cooperation for rural housing. The speaker noted that this marks a transition from collective property emphasis to more market-driven rural reform.
- China is reforming rural land use by separating ownership, usage, and contractual rights. Homestead plots, which make up about 70% of rural land, are being opened up for market activity. According to Dr. Agarwal, this shift aims to empower rural households while boosting rural economies through flexible land management.
- Counties are being repositioned as pivotal links between rural and urban China. As prefecture-level cities shrink, county-level governance is gaining ground in policy implementation. The speaker argued that this restructuring aims to enhance integration, reduce bureaucratic confusion, and revive local administrative power.

- Dr. Agarwal stated that older academics viewed China from a rural lens, while newer generations often focus on major urban centres. Xi Jinping’s visits to rural provinces like Lijiang and Guizhou reflect a renewed state emphasis on the countryside. This ideological return bridges generational divides and re-centres rural China in national discourse.
- The speaker further noted that peasants are being repositioned from active producers to lifestyle participants in a modernised rural economy. Migrant workers and educated youth are targeted as new agents of rural industrialisation.
- The role of village leaders is also being restored through rural branding, local industries, and grassroots governance. The speaker argued that this revival also reactivates kinship ties and traditional power structures once sidelined during economic reforms. Social networks are now recognised as essential to local implementation of national policy.
- The speaker concluded by stating that China’s administrative restructuring has created overlaps and confusion between different levels of governance. As responsibilities blur, Dr. Agarwal argued, party cadres are reasserting control to ensure smooth policy execution. Their revival reflects a return to strong central coordination for rural and agricultural management.

**Dr. Rityusha Mani Tiwary, “China’s Indigenous Innovation: Is Chinese AI the Curveball?”**

- Dr. Rityusha Mani Tiwary explored China’s growing focus on AI as a transformative force, now central to its policy agenda and development strategy. Highlighting initiatives such as “AI Plus” and embodied AI, she underscored AI’s integration across sectors — from finance to agriculture and smart mobility.
- While noting China’s ambition to become a global “AI supermarket”, she also raised concerns about regulation, talent, IP rights, and geopolitical constraints.
- Dr. Tiwary underscored the increasing prominence of artificial intelligence in China’s political and policy discourse, noting that the term was mentioned four times in this year’s Government Work Report, compared to three occurrences in the previous year.

- She highlighted the financial sector’s growing adoption of artificial intelligence, noting that following the National People’s Congress, the People’s Bank of China reaffirmed its commitment to advancing AI-driven financial digitisation. This encompasses applications such as data generation, risk assessment, and operational optimisation.
- She identified the automotive sector — particularly in the areas of new energy vehicles and AI-integrated mobility solutions — as a key example of AI-driven innovation. China’s AI ecosystem has expanded rapidly, with over 200 generative AI models officially registered and more than 600 million users reported in 2024 alone.
- Dr. Tiwary anticipated a surge in AI adoption among small and medium-sized enterprises, the emergence of sector-specific AI models developed by major corporations, and accelerated advancements in AI-assisted drug research — trends expected to substantially boost growth in China’s pharmaceutical industry.
- The speaker also highlighted geopolitical challenges, particularly the constraints imposed by American export controls on advanced AI chips. These limitations, she argued, play a critical role in defining both the potential and the boundaries of China’s AI aspirations.

**Dr. Usha Chandran, “Women to Rejuvenate the Nation by Reproducing More: Is Creating ‘Mom Jobs’ the Answer?”**

- Dr Chandran stated that there has been an increase in women’s participation in the NPC and CPPCC, registering 1.5% and 2.6% growth respectively. This reflects a growing acknowledgment of women's role in policymaking and national development. The increased presence has also amplified discussions on women-specific issues such as fertility, family care, and work-life balance.
- ‘Mom jobs’ are flexible, low-income employment opportunities created especially for mothers with children under the age of 12, allowing them to balance parenting with work. This idea gained formal traction in 2022 and re-emerged as a hot topic during the Two Sessions in 2025. Though it aims to support motherhood, critics argue that it risks institutionalising gendered labour divisions and trapping women in low-skill roles.

- There was a renewed proposal to lower the marriage age to 18 for both genders to address China's demographic crisis. While some believe this could help increase birth rates, critics fear it may lead to hasty marriages, higher divorce rates, and compromised education or career opportunities for young women.
- Incentives such as tax breaks, marriage subsidies, and housing benefits were suggested to encourage couples to marry and reproduce. Though controversial, Dr. Chandran noted, such proposals reflect the urgency with which the government is trying to tackle declining birth rates. However, the emphasis on numbers over individual choice sparked online backlash and gender equity concerns.
- Many urban youths remain uninterested in marriage and childbirth, citing rising costs, personal freedom, and shifting life priorities. Social media reactions show scepticism toward top-down approaches like reducing marriage age or introducing mom jobs. Critics argue that the government is trying to mask systemic issues with superficial perks rather than real reform.
- Although “mom jobs” appear progressive, Dr. Chandran argued, they are often low-skilled, contract-based roles with minimal growth potential. Women, previously in white-collar jobs, find these options unattractive and regressive. The programme also risks formalising gender segregation in employment rather than enabling reintegration into mainstream, high-end professions.
- Several netizens and scholars believe these policies reflect a patriarchal mindset where women are seen primarily as reproductive agents. The framing of "rejuvenation of the nation through women's bodies" evokes Mao era nationalism with an androcentric twist. Rather than empowering women, it risks reinforcing outdated societal norms.
- Alongside financial perks, the state is also subsidising IVF, offering post-partum mental health support, and simplifying wedding registrations in rural areas. There is an initiative for ‘family-friendly cities’ and monthly subsidies for grandparents involved in childcare. These supportive steps indicate a broader attempt to create an ecosystem conducive to parenting — but remain insufficient for long-term demographic transformation.

## Report

The Two Sessions (*lianghui* 两会) occupy a central position in China's political calendar, serving as the primary institutional platform where the country's top legislative and advisory bodies — the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC) — convene annually. These sessions function as a vital mechanism through which the state articulates its economic goals, legislative priorities, and social policy directives for the coming year. They also provide critical insight into the Communist Party of China's (CPC) evolving ideological frameworks and governance strategies, both domestically and internationally. The Institute of Chinese Studies (ICS), New Delhi, in collaboration with the India International Centre (IIC) and *ThePrint* as the media partner, organised a roundtable on 5 April 2025 at the India International Centre on the theme: *Issues and Themes in China's National People's Congress, 5–11 March 2025*. The event brought together a panel of distinguished scholars and policy analysts to critically examine the significance and outcomes of China's most prominent annual political gatherings. The thematic scope of the roundtable was multi-dimensional, addressing critical issues ranging from rural revitalisation, the Party's support for the private sector to indigenous innovation in critical technologies, and the role of women in national rejuvenation.

**Dr. Snigdha Konar**, Research Associate and Assistant Director, Institute of Chinese Studies, New Delhi, formally introduced the panellists. The session was moderated by **Prof. Manoranjan Mohanty**, who set the tone for discussion by urging participants to approach the documents emerging from the Two Sessions through the lens of textual analysis. Drawing from social science methodologies, he emphasised the importance of closely reading these policy texts — not just for their explicit content but also for what is implied, omitted, or newly introduced in comparison with previous documents. Prof. Mohanty also urged analysts and scholars to resist the reductive portrayal of the NPC as a “rubber stamp parliament”, and instead appreciate its role in revealing deeper structural trends in China's governance. Prof. Mohanty highlighted the government work report presented at the NPC as a unique and comprehensive articulation of the state's annual agenda. He noted that the NPC report is an annual exercise that brings together multiple departments, offering a coordinated snapshot of governance priorities. Prof. Mohanty stated that the appearance of new terms, such as the “Peace Development Initiative” in this year's report, warrant critical attention. Rather than relying solely on media summaries, Prof. Mohanty advocated for a rigorous, contextualised and nuanced reading of official documents. The moderator also outlined the nine key targets for 2025 as announced by Premier Li Qiang, which included:

- GDP growth target set at 5%
- Urban unemployment rate to be kept around 5.5%
- Creation of 12 million new urban jobs
- Consumer Price Index (CPI) increase targeted at 2%
- Personal income growth to match GDP growth at 5%
- Maintenance of a basic equilibrium in the balance of payments, particularly in the context of ongoing trade tensions with the United States of America under the Trump 2.0 administration
- Grain output goal of 700 million tons
- A reduction of 3% in energy consumption per unit of GDP
- Continued efforts to improve environmental quality

Prof. Mohanty further noted that the defining feature of the roundtable was its focus on dimensions that are often overlooked or under-reported in mainstream media analyses. While much coverage typically centres on headline economic figures or foreign policy posturing, this discussion foregrounded less scrutinised aspects. These themes, though critical to understanding the evolving nature of China’s governance and socio-economic transformation, often receive limited attention in conventional reporting.

**Prof. Sreemati Chakrabarti’s** presentation titled, “The National People’s Congress of China: Origins and Evolution”, explored the historical roots, evolution, and institutional significance of the National People’s Congress (NPC) in China’s political system. Tracing the trajectory of the NPC from its inception to the present, she examined how it developed into a core institution within China’s governance structure, especially in the context of reforms initiated in the post-Mao period. Prof. Chakrabarti began by discussing the origins of the NPC, noting that the idea of establishing a legislature in the People’s Republic of China was influenced by the 1936 Constitution of the Soviet Union. This idea was rooted in the need to delineate the functions of the Party and the state. Before

the NPC was established, China had formed the Chinese People's Political Consultative Conference (CPPCC), which convened in September 1949 and served a role similar to India's Constituent Assembly by drafting the country's first constitution. The CPPCC represented various social classes as defined by Maoist ideology, where 'the people' included workers, peasants, petty bourgeoisie, and the national bourgeoisie, while landlords, rich peasants, and compradors were labelled 'enemies of the people'.

Prof. Chakrabarti emphasised that a significant shift occurred after 1978 when Deng Xiaoping launched efforts to institutionalise both the Party and the state. Institutionalisation was seen as crucial to ensuring stability, continuity, and predictability within China's governance, particularly after the chaos of the Cultural Revolution. The NPC became central to this institutionalisation process, providing a structured and regularised platform for legislation and state functioning. She highlighted key developments in the history of the NPC, beginning with its first session in 1954, which adopted China's first constitution. However, between 1954 and 1978, NPC sessions were sporadic due to intense political turmoil and internal conflicts within the Communist Party. The 4<sup>th</sup> NPC in 1975, during the Cultural Revolution, adopted a new constitution that abolished several key state positions, including those of the NPC Chairman and Procurator-General. The 5<sup>th</sup> NPC in 1978 saw the adoption of the Hua Guofeng constitution and introduced a new electoral law in 1979. This period marked the emergence of reformist and conservative camps within the party. The fifth session of the 5<sup>th</sup> NPC in 1982 adopted the current constitution, which has since been amended multiple times. Notable amendments included a provision regarding Taiwan and, in 2018, the removal of presidential term limits.

Prof. Chakrabarti also examined the evolution of Party-state relations, particularly during the Deng era. Deng's political reform agenda sought to create a clear distinction between the Party and government by prohibiting dual roles, dismantling corresponding Party departments within government institutions, and introducing civil service reforms to ensure merit-based recruitment. However, these reforms faced considerable setbacks, especially after the 1989 Tiananmen protests. The Party retained its control through mechanisms such as the core group system, thereby maintaining its dominance over the state apparatus. The 1993 law further institutionalised this arrangement by bifurcating state personnel into two categories: professional bureaucrats recruited and promoted through civil service examinations, and political appointees managed by the Party. In conclusion, she argued that the institutionalisation of the NPC was part of a broader attempt to create a stable and predictable political framework that could support economic modernisation.

While challenges and reversals have occurred, the evolution of the NPC and its regular functioning, particularly through its Standing Committee, has contributed to greater professionalism, administrative transparency, and a more organised legislative process in China.

**Mr. Ashok K. Kantha's** presentation on “China's Economic Balancing Act: Exports vs. Consumption” offered a detailed critique of a long-standing policy dilemma facing the Chinese Party-state: whether growth should be primarily driven by domestic consumption or by exports. This issue gained particular urgency in the wake of Trump-era tariffs, COVID-induced supply chain disruptions, and increasing pressure on global trade. In response, China adopted the Dual Circulation Strategy (*Shuāng xúnhuán zhànlüè* 双循环战略) in 2020, aiming to prioritise internal demand while keeping global trade links active. Mr. Kantha argued that the strategy has seen limited success — domestic consumption remains stagnant at around 38–39% of GDP, far lower than global comparators. Structural imbalances, financial suppression, weak household income, and inadequate social safety nets have all contributed to this stagnation. Meanwhile, innovation and high-tech sectors, though promising, are held back by the ongoing real estate crisis and low consumer confidence. As a result, the Chinese economy continues to lean heavily on exports, with the 2024 export surplus nearing a trillion dollars — despite signs of deflation and prolonged negative trends in both the Producer and Consumer Price Indices.

By late 2024, with domestic demand still sluggish, Xi Jinping appeared to shift gears. For years, he resisted large-scale stimulus, wary of direct transfers to households and sceptical of welfarism. But starting in September 2024, the state introduced targeted fiscal and monetary measures, culminating in the December 2024 Central Economic Work Conference where boosting consumption was reaffirmed as a top priority. Premier Li Qiang's 2025 Government Work Report echoed this pivot, replacing the earlier rhetoric of supply-side innovation with a strong emphasis on demand-side growth. Yet, experts like Yao Yang from Peking University and Zhu Ning from Tsinghua University have dismissed these new measures as superficial, insisting that only deep structural reforms — such as higher wages and a more equitable distribution of income — can truly unlock domestic consumption. At the same time, Mr. Kantha warned that China's continued reliance on exports, supported by its high-tech manufacturing ambitions, is distorting global trade patterns and delaying industrialisation in both developed and emerging economies. With cumulative US tariffs now exceeding 70% and re-export routes through Southeast Asia blocked, China faces mounting external challenges. The domestic economy, already burdened by demographic shifts and fiscal strains, may find it difficult to rebalance without confronting its “mercantilist habits” head-on.

In his presentation titled, “China’s Private Sector and Increasing Vote of Confidence from the Party-state”, **Dr. Anand P. Krishnan** examined how China’s private sector shows a more uneven profile in terms of tax contribution and employment. Despite its significance, the sector faces challenges such as local protectionism and revenue-driven law enforcement by cash-strapped local governments. These issues were reflected in Premier Li Qiang’s 2025 work report, which promises to protect private enterprises, prevent arbitrary law enforcement, and encourage private investment in infrastructure and public-private partnerships. It also urges firms to adopt modern corporate structures with distinctively “Chinese characteristics”.

Dr. Krishnan linked these policy directions to Xi Jinping’s February 2025 symposium with private business leaders, where Xi emphasised innovation, patriotism, and the private sector’s role in national rejuvenation. This shift marks a growing trust from the Party-state, moving away from earlier regulatory crackdowns to a more collaborative model. The new Private Economy Protection Law, currently under review, further reflects this shift. Concluding his presentation, Dr. Krishnan noted that China’s private sector is central to its global ambitions. Private firms now lead outbound investments and are shaping global supply chains in sectors like EVs, digital technology, and solar energy. Drawing on his research on Chinese smartphone brands in India, he highlighted their resilience and continued market presence despite political tensions, underlining the growing global relevance of Chinese private enterprise.

**Dr. Ritu Agarwal’s** presentation, “Back to Countryside? New Trends in Rural Revitalization”, examined the shifting focus of China’s development strategy back to the hinterland, in response to widening rural-urban divides and a deepening agrarian crisis. She argued that while previous generations of China scholars, including Prof. Manoranjan Mohanty, viewed the country through the lens of rural transformation, today’s observers often view China through megacities such as Beijing and Shanghai. However, President Xi Jinping’s recent visits to places like Lijiang and Guizhou signal a renewed emphasis on the countryside. Dr. Agarwal highlighted three key components driving this push for revitalisation: the demographic crisis in rural areas (including left-behind children, the elderly, and women), the collapse of real estate-driven land conversion, and the need to revive rural industry through models such as ecological and ethnic tourism. She discussed how the state has responded with policy documents — particularly the annual “No. 1 Central Document” (*Zhōngyāng yī hào wénjiàn* 中央一号文件) — to address rural decline. The 2025 version introduces mechanisms such as rental, shareholding, and cooperative usage of rural housing, diverging from earlier emphasis solely on collective property rights reform.

She also mentioned more nuanced policy shifts shaping the rural revitalisation framework, such as the decoupling of the peasantry from agriculture through mechanisation, specialisation, and agribusiness-led production. This transformation aims to replace traditional smallholding cultivators with rural entrepreneurs and returnee talents like migrant workers and university graduates, thereby reshaping rural society and economy in the process. Another notable trend is the revival of village institutions and local cadres' authority through policies like "one village, one product", place branding, and scale production. Dr. Agarwal noted how this revival restores the social power networks of kinship and local governance that were weakened during earlier reform periods. Finally, she addressed the restructuring of administrative hierarchies, particularly the strengthening of county-level governance as carriers of rural-urban integration. However, this overlapping of responsibilities has created new governance challenges, necessitating greater Party intervention to maintain cohesion in policy implementation, social welfare delivery, and food security. Her analysis, grounded in recent policy shifts and decades of rural development research, painted a complex picture of a state-driven but socially negotiated effort to revitalise China's countryside amid structural uncertainty.

**Dr. Rityusha Mani Tiwary's** presentation, titled "China's Indigenous Innovation: Is Chinese AI the Curveball?" examined the evolving discourse and policy direction on artificial intelligence in China, particularly in the context of the Two Sessions. She began by explaining the metaphor of the "curveball" — a sudden and unexpected development — framing AI as a disruptive and transformative force that is steadily becoming central to China's developmental agenda. Dr. Tiwary highlighted the growing emphasis on AI in China's political and policy vocabulary, pointing out that the term appeared four times in this year's Government Work Report, up from three times last year. The increased frequency of related terms — such as "security" (36 times) and "innovation" (36 times) — signals AI's rising strategic relevance. According to Dr. Tiwary, a key takeaway was the reference to "embodied AI", or AI in physical forms, such as robotics and intelligent terminals, which featured in the Work Report for the first time. The announcement of a state venture capital guidance fund for large-scale AI applications and generative AI also reflects the state's intent to institutionalise innovation-led growth.

Dr. Tiwary drew attention to the financial sector's increasing adoption of AI, with the People's Bank of China following up the NPC by reinforcing support for AI-led financial digitisation. This includes applications in data generation, risk assessment, and optimisation. She also traced the

development of the “AI Plus” initiative launched last year, noting how its scope has broadened in 2025 to cover smart manufacturing, everyday technologies such as AI-enabled phones and content generation tools, and precision agriculture. Dr. Tiwary further underscored the transformative potential of AI in upgrading entire industries. She cited the automotive sector, especially new energy vehicles and AI-connected mobility solutions, as a leading example.

China’s AI ecosystem is growing rapidly, with over 200 generative AI models registered and more than 600 million users reported in 2024 alone. The vision, she noted, seems to be steering China toward becoming an “AI supermarket” catering to multiple sectors and global standards. Looking ahead, she predicted increasing AI adoption by small and medium enterprises, the development of sector-specific models by large firms, and rapid progress in AI-assisted drug research—expected to drive significant growth in China’s pharmaceutical industry. She pointed out that the top motivations behind corporate investments in AI were technological advancement, competitiveness, and risk management. In conclusion, Dr. Tiwary raised critical concerns around industry regulations, talent cultivation, intellectual property rights, and the need to democratise access to AI technologies. She also flagged geopolitical challenges, especially restrictions on advanced AI chips due to American export controls. These issues, she argued, shape both the promise and limits of China’s AI ambitions.

**Dr. Usha Chandran’s** presentation titled, “Women to Rejuvenate the Nation by Reproducing More: Is Creating ‘Mom Jobs’ the Answer?”, critically examined the policy initiatives highlighted in the Two Sessions, especially with regard to women’s roles in addressing China’s demographic crisis. This was done by investigating the promotion of “mom jobs” (*Māmā gǎng* 妈妈岗), the reduction of marriageable age, and reproductive incentives. She highlighted how women’s increasing participation in the NPC and CPPCC has coincided with a renewed emphasis on their reproductive responsibilities. “Mom jobs” — positions with flexible hours and lower pay — were introduced as a new employment category targeted at mothers with children under the age of 12, aiming to balance child-rearing with basic income generation. Prominent policymakers, such as CPPCC member Wu Haiying, argued that these jobs could create a fertility-friendly environment. However, Dr. Chandran pointed out that these roles are often low-skilled, lack job security, and exclude women from high-paying or leadership positions, limiting their professional growth and reinforcing gender-based occupational segregation. Despite surveys showing that a majority of stay-

at-home mothers want to re-enter the workforce, many prefer flexible but meaningful work, which the current mom job model fails to provide.

Further, Dr. Chandran scrutinised related proposals such as lowering the legal marriage age and offering tax breaks, housing subsidies, and cash incentives for early marriage and multiple childbirths. While these proposals aim to counter declining birth rates, she emphasised that they risk aggravating gender inequality by pressurising young women — often still pursuing education — into early marriages and motherhood. Public backlash on social media and among academics pointed to the problematic nature of these incentives, which seem out of step with contemporary youth attitudes toward marriage and parenthood. Dr. Chandran concluded that the framing of women's role in national rejuvenation through motherhood reflects a regressive, androcentric policy trajectory. Rather than integrating women into mainstream, high-quality employment with adequate maternity support, the state appears to be creating a parallel labour track that marginalises mothers. This signals a worrying return to traditional roles and undermines the progress made in gender equality during previous decades.

### **Interactive Session and Responses of the Panellists**

The session concluded with an interactive session that enriched the discussion with critical insights and comparative perspectives. The questions and comments addressed to the panel explored the broader direction of China's economy under Xi Jinping, the shifting role and concentration of private sector power, and where innovation is most prominent — whether in large firms like Huawei or emerging players like Deepseek. Other questions focused on China's private sector investment in India, particularly in the EV sector, and the environmental and health implications of rapid technological change, including e-waste and children's health. The dialogue also addressed the nature of state support for AI firms, the legality and regulation of emerging AI marketplaces, and whether India is learning from China's experiences and whether the evolving overlap between public and private sectors in China — marked by profit-driven mandates and complex *Guānxi* 关系 networks — necessitates rethinking conventional conceptual distinctions in light of new governance trends. The session reflected high audience engagement and added depth to the themes discussed.

Responding to questions addressed to her, Dr. Rityusha Mani Tiwary emphasised that China's innovation is multi-sectoral, supported by both private and state initiatives. Citing the Global Innovation Index, she noted China's strong performance in robotics, AI, pharmaceuticals, and

chemicals. On Deepseek, she highlighted its impressive capabilities, low cost, and wide adoption by major banks, including government-owned entities, though direct state funding remains unclear. She acknowledged growing regulatory concerns, calls for central legislation, and public awareness around AI use. While the sector is still nascent, she stressed that China has made rapid advancements in just five years, though challenges around employment, health, and adaptation remain.

Dr. Anand P. Krishnan addressed the issue of economic concentration in China, acknowledging the significant wealth held by a few billionaires. However, he noted that under Xi Jinping, the Party has managed to exert control over these elites, particularly during the “common prosperity” campaign, which signalled a willingness to challenge excessive accumulation and promote redistribution. While that rhetoric has since softened, the Party continues to harness this concentration of wealth to its advantage. He emphasised that innovation is prioritised in strategic sectors such as AI, robotics, and semiconductors, which are seen as drivers of high-quality growth. Regarding Chinese private sector investment in India, he noted that such engagement has persisted and even expanded, including during periods of political tension. During Prime Minister Modi’s ongoing third term, Indian ministries have reportedly received requests to ease visa restrictions for Chinese professionals, reflecting continued bilateral economic interest despite geopolitical strains.

When asked about institutional changes from the Hua Guofeng–Deng Xiaoping period to Xi Jinping’s era, Prof. Sreemati Chakrabarti responded that under Xi, the functioning of the NPC reflects a major shift, with the Party’s dominance becoming more pronounced. She pointed out that while earlier leaders introduced measures of institutionalisation, Xi has reversed this trend. Citing the 14<sup>th</sup> NPC Standing Committee, where 117 out of 175 members were Party members, she emphasised that though suggestions for laws are discussed, final decisions closely follow Party directives, with the CPPCC’s role remaining largely advisory.

The roundtable discussion ended with closing remarks by the moderator, Prof. Manoranjan Mohanty, who reiterated the need to critically examine the proceedings and outcomes of major events such as the Two Sessions. He appreciated the valuable insights shared by each panellist, as well as the eager participation of the audience. Dr. Snigdha Konar formally concluded the roundtable.

## Image Gallery



## Image Gallery



## Institutional Profile



The **Institute of Chinese Studies (ICS)**, New Delhi is engaged in and committed to interdisciplinary research on China. Apart from the annual All India Conference of China Studies (AICCS), the Institute undertakes various collaborative research programmes and multilateral initiatives with prominent institutions in India and abroad, and brings together leading and upcoming scholars through multiple fora. Among its many legacies, it has been conducting the iconic Wednesday Seminar for over 50 years and publishes the *China Report*, a peer-reviewed quarterly journal on China and East Asia, currently in its 60<sup>th</sup> year of publication.



**ThePrint** is an Indian digital news platform known for its in-depth analysis and independent journalism. It covers a wide range of topics, including politics, policy, economy, and international affairs. The platform is recognised for its insightful commentary, detailed reportage, and multimedia content, including podcasts and video explainers. It aims to provide readers with nuanced perspectives on current events, often emphasizing fact-based, data-driven storytelling. *ThePrint* has established itself as a trusted source for audiences seeking balanced and thoughtful coverage of complex issues in India and beyond.



The **India International Centre (IIC)** is a non-government institution widely regarded as a place where statesmen, diplomats, policymakers, intellectuals, scientists, jurists, writers, artists and members of civil society meet to initiate the exchange of new ideas and knowledge in the spirit of international cooperation. Its purpose, stated in its charter, is ‘to promote understanding and amity between the different communities of the world’. In short, the Centre stands for a vision that looks at India as a place where it is possible to initiate dialogues in an atmosphere of amity and understanding.