

GLOBAL VIEWS



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Beyond oil

China-Arab energy cooperation should explore new opportunities in clean energy

China and the Arab states are natural partners for cooperation under the Belt and Road Initiative, with bilateral energy cooperation being the most fundamental and strategic area of cooperation. The two sides are vigorously establishing China-Arab strategic cooperative relations in energy characterized by reciprocity, mutual benefit and friendship, and jointly exploring new cooperation modes led by oil and gas cooperation, followed by nuclear energy cooperation and accelerated growth in clean energy.

In the field of traditional energy cooperation, China and Arab states have been advancing the new cooperation model of "oil and gas plus", which covers the entire industrial chain of oil and gas exploration, mining, refining, storage and transportation.

With regard to new energy, China and the Arab states have been actively boosting cooperation in renewable energies such as solar, wind and hydropower. China and the Arab League have jointly built a clean energy training center; China and Egypt have built a joint lab for renewable energy; and China and the Arab states have carried out a variety of cooperation projects, including the Al Kharsaah Solar Power Project in Qatar, the 186 MW solar power stations at the Benban Solar Energy Park in Egypt and the 165 MW DC Photovoltaic Power Station EPC Project in Egypt.

Currently, driven by the pursuit of the carbon peak and neutrality goals, the global energy landscape is undergoing major shifts.

China has pledged to peak its carbon dioxide emissions before 2030 and achieve carbon neutrality before 2060, and the oil-producing Arab states, such as Saudi Arabia and the United Arab Emirates, have unveiled their road maps to net-zero emissions. The carbon emissions peak and neutrality goals will have a huge impact on the energy development of both China, the world's largest oil importer, and the Arab states, the world's most important oil-and-gas-producing region. The goals will bring opportunities and challenges to both sides, as well as bilateral oil and gas cooperation. To this end, in addition to the traditional oil and gas trade, China-Arab energy cooperation should explore new opportunities in the following areas to inject fresh impetus into bilateral ties.

To start with, energy cooperation should be deepened under the framework of "oil and gas plus". China-Arab energy cooperation is centered on the oil and gas trade, which is frequently hit by oil price fluctuations and geopolitical con-

flicts. The two sides need to strengthen their cooperation to cover the entire industry chain of oil and gas and all forms of energy. They should boost cooperation in oil and gas exploration, mining, refining, storage and transportation, and extend cooperation into new energy, including nuclear, wind, solar and hydrogen energy and new technologies such as energy storage and smart grids. China is a world leader in new energy development. With great natural resource endowments for developing many types of new energy, the Arab states are speeding up the low-carbon energy transition and diversification of energy sources. This has created broad space for bilateral new-energy cooperation.

Second, China and the Arab states should expand the space for cooperation in low-carbon technologies. The Chinese government and oil companies should seize the opportunity and make concerted efforts to promote the transformation and upgrading of China-Arab energy cooperation. To achieve the carbon peak and neutrality goals, the Arab states are in dire need of crude oil decarbonization technology, carbon capture technology and carbon storage technology, among other things, which will become the blue ocean of China-Arab technological cooperation. Currently, petroleum decarbonization technologies are not mature, not cost-effective and difficult to apply on a large scale. China needs to beef up its technology R&D cooperation with the Arab countries, by setting up joint research projects and applying the research outcomes in the decarbonization of petrochemical, iron and steel, and cement industries, among others. Bilateral cooperation in low-carbon energy technologies will improve the status of the two sides and strengthen their role and enhance their say and standard-setting capability in global energy and climate governance.

Third, the two sides should bolster cooperation in the digital transformation of the energy system. China should make the most of its technological edge to scale up bilateral cooperation in the digital transformation of energy systems — such as intelligent sensing, cloud computing, big data and the internet of things — to improve the security, accessibility and sustainability of energy systems. For instance, digital technologies such as cloud computing, artificial intelligence, the internet of things and distributed management could be applied in all links across the upstream and downstream of the oil and gas industry. The application of IoT

technologies could realize real-time online access of equipment from both sides, and cloud computing technologies could improve the gathering, storage and analysis of carbon emissions data, empowering bilateral energy cooperation with digital technologies.

Last, the renminbi settlement in oil and gas trade should be promoted. Although the US dollar's dominance in oil and gas trade settlement can hardly be shaken in the short term, certain oil-producing countries have already expressed their desire for a more diverse range of currencies for oil and gas trade settlement. China could explore new ways of settlement via cash swap deals and the renminbi settlement for a small number of petrochemical products, among others. This will have far-reaching significance for the internationalization of the renminbi and the breaking of the US' financial hegemony.

The first China-Arab Summit is soon to be held in the Saudi Arabian capital Riyadh. The summit, a milestone in the development of China-Arab relations, will promote bilateral relations to a new height. Further development of the China-Arab strategic partnership will provide a political guarantee for bilateral energy cooperation.

Amid the carbon peak and neutrality quests, the global energy landscape is shifting at an accelerated pace, providing both opportunities and challenges for energy cooperation. To promote the transformation and upgrading of bilateral energy cooperation is of strategic significance to both China's energy security and the consolidation of China-Arab friendly relations.

China and the Arab states should, on the basis of strengthening their traditional oil and gas trade, boost whole-industrial chain cooperation in oil and gas, vigorously explore the potential for cooperation in new energy, strengthen the development and application of low-carbon technologies, and empower their respective energy transitions with digital technologies. The two sides should also take the China-Arab Summit as an important opportunity to advance the building of a China-Arab energy community with a shared future and take institutionalized energy cooperation to a new height.

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Focus on active aging

As China becomes a super-aged society, it needs to increase the employment opportunities for older people

With continued population aging that has caused an aging workforce and structural labor shortages, tapping the human capital among older people has become a major means for China to actively cope with population aging.

As one of the nations that are at the forefront of population aging, Japan has also been plagued by a shrinking workforce and insufficient pension funds. To this end, the Japanese government has been going all out to build a policy system aimed at increasing employment opportunities for older people. The system consists of three major aspects, which are closely interconnected and supportive of each other. The first aspect is to motivate older people's employment willingness via reform of pension schemes, in particular by continuously raising the pension age to encourage them to stay longer in the labor market.

The second aspect is to ensure that older persons have access to equal employment opportunities via rights protection for continued employment, mainly by postponing retirement age, prohibiting age discrimination, encouraging older people to start their own businesses, providing unemployment insurance, and exploring new forms of continued employment after retirement, etc. The third aspect is to promote lifelong learning and vocational ability development to support older persons' post-retirement employment, mainly by enhancing their ability in continuing to participate in the labor market.

Japan's policy system for promoting elderly employment is not accomplished in an action, but follows nearly 80 years of reform endeavors. Japan has unveiled the Act on Stabilization of Employment of Elderly Persons and the Basic Law on Measures for the Aging Society, among others, providing institutional guarantee for older people's rights and interests at the workplace. Japan's policy reform has been advanced step by step, such as giving buffer a period for businesses on ways of postponing the retirement age to cushion against the impact of policy changes.

Furthermore, Japan has been providing all-round support for the employment of older people, by, on the one hand, developing diversified employment opportunities based on older persons' unique needs and, on the other hand, ensuring their rights to education to enhance their vocational capability.

China and Japan share a lot of similarities when it comes to their senior citizens' growing employment rate, industries of employment and patterns of employment. China is currently building its own system for encouraging older people's employment. But given that China is expected to become a super-aged society — when over 20 percent of its population is in the 65-or-over group — faster than Japan, it will need to develop and improve a policy system in less time than Japan. Further compounding the issue are China's great regional and urban-rural disparity and its much larger older population than Japan's. Therefore, while learning from Japan's experience in coping with population aging, we should also take into full account China's local context.

To start with, China should vigorously advocate the concept of active aging to comprehensively enhance social recognition of tapping seniors as a human resource. To effectively postpone retirement age and

promote the implementation of pro-employment policies for senior citizens, we need to get business cooperation and social recognition. This requires all-round and in-depth population aging education for businesses and throughout the society — replacing negative perceptions toward aging with positive ones such as healthy aging, active aging and productive aging, changing the narrative that "elderly employment reduces job opportunities for youth", and increasing the recognition of the value of human capital among older people.

In particular, we should attach importance to eliminating age discrimination against senior citizens in the labor market, protecting their legitimate rights in continuing to participate in the labor market, and building an age-friendly employment and social environment.

Second, the postponement of the retirement age should be advanced in sync with improvements in the social security system, so as to stimulate older people to postpone retirement. Tapping the human resource potential in the older workforce cannot solely rely on the postponement of retirement age, but should also depend on other supportive policies. In particular, it requires the social security system to make adjustments when a nation wants to enhance people's willingness to delay retirement, such as proportionally increasing the old-age pension after retirement and allowing older adults that have reached the retirement age to flexibly choose their retirement age based on their own conditions and wish.

Third, China should beef up institutional guarantees for employees to make work more appealing to older people. We should improve social security for informal workers and provide better protection of the rights and interests of post-retirement employees in re-employment or continued employment to make work more appealing to them. The improvement of legislation on prohibiting age and gender discrimination in the labor market should be expedited to protect senior citizens' rights and interests in the workplace. Furthermore, China should pay attention to the role of unemployment insurance and work-related injury insurance in protecting the rights and interests of older workers.

The part of the work-related injury insurance system that is contradictory to basic old-age insurance system should be revised to include older workers into the work-related injury insur-

ance system, and employers should be mandated to pay work-related injury insurance contributions for re-employed post-retirement workers to protect their lawful rights and interests. We should also beef up support for older entrepreneurs to provide concessional loans and tax breaks for them.

Fourth, we should develop more flexible and diversified employment patterns and provide all-round services to boost employment for the elderly. A large proportion of China's young-olds are taking care of their grandchildren, and therefore, more flexible working patterns could better meet their employment demands. More flexible working patterns, such as short-term, part-time and remote work, could be introduced to increase senior citizens' employment opportunities. In addition, job-introduction agencies for seniors should be set up or existing job-introduction agencies should add new branches to serve senior citizens.

We should also vigorously develop an information database for elder human resources by using internet technologies to gather information and match older people's desire for work with available posts. Lifelong education and lifelong vocation ability development should be combined and vocational training should be provided to seniors on a regular basis.

Last, since businesses and social organizations are important entities that provide opportunities for senior citizens' employment or re-employment, only by getting their cooperation can we make the best of their creativity and initiative during the implementation of relevant policies. We could hold national competitions themed on elderly employment promotion to attract businesses and social organizations to participate and provide creative solutions for boosting the employment of seniors. We could also learn from Japan's experience in giving tax breaks, concessional loans or subsidies to businesses that hire workers aged 60 and above, so as to encourage businesses and social organizations to accelerate the building of an age-friendly environment and create a positive work environment and corporate culture.

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