

Lianghui - Two Sessions — China Snap-Shot May 22nd, 2020



The Chinese National People's Congress at the Great Hall of the People in Beijing on May 22.

What seems almost incredible but fully understandable from a managerial point-of-view: for the first time in 30 years, China has not set an annual growth target for 2020. While fluid management seems part of the Chinese system from the very beginning, Li Keqiang, during this year's opening of the National People's Congress (NPC) in Beijing clearly explained why 6 "fronts" [sectors of concern], and 6 areas [sectors of individual and society's needs] are more relevant for the overall wellbeing than setting a fixed growth target. It seems like a shift to an even higher level of value-based "agility" within the Chinese government. Let's wait and see for its results throughout 2020.

On May 21st, after being postponed for over 2 months due to the COVID-19 epidemic, China finally started the country's most important politic season with the Chinese People's Political Consultative Conference (CPPCC), followed by the annual plenary meeting of the NPC from May 22nd to 28th. As both top class meetings usually take place around the same time, the word "两会" (liang hui, two sessions) is commonly used to refer to the two meetings by Chinese media as well as the government since 1990s. With almost 3000 delegates the NPC is the biggest meeting of this kind worldwide.

"It's basically the entire class of China's political elite convening in Beijing," said Nicholas Consonery, a China expert of Eurasia Group. And, crucial for the rest of the world, "the NPC is where the Chinese senior leadership showcases its policy intent for the year."¹

a) Key learnings from the Opening Session

At the beginning of annual plenary meeting of NPC, the premier of the state council delivers a government work report, which includes the most important topics and goals for the next 12 months. These are the highlights from this year's report by premier Li Keqiang on May 22nd:

- Reviewing of the government's work in 2019 and the first few months in 2020
 - The economy remained stable.
 - In 2019, China's GDP reached RMB 99.1 trillion, representing a 6.1 % increase over the previous year.

- Main tasks and goals in 2020
 - China aims to add over 9 million new urban jobs in 2020 and to keep the surveyed urban unemployment rate at around 6 percent.
 - China plans to set its fiscal deficit above 3.6 percent of GDP, resulting in a deficit increase of RMB 1 trillion (about USD 141 billion) over last year. It will also issue RMB 1 trillion of government bonds for COVID-19 control.
 - The country will further cut tax and fees for enterprises with an aim of reducing corporate burdens by over RMB 2.5 trillion.
 - Elimination of poverty among all rural residents living below the current poverty line.²
 - More stable and higher-quality imports and exports, and a basic equilibrium in the balance of payments.
 - Income growth shall basically stay in sync with economic growth
 - The rates for broadband and dedicated internet access services will be cut by 15 percent on average to reduce operating costs.
 - Large commercial banks should increase inclusive finance lending to micro and small businesses by more than 40 percent.
 - This year, 3.75 trillion RMB of special local government bonds will be issued to support local projects, a 1.6 trillion RMB increase over last year.
 - Begin the renovation of 39,000 old urban residential communities.
 - Increase national railway development capital by RMB 100 billion.
 - The area of high-standard agricultural land will be increased by 5.33 million hectares.
 - Government subsidies for basic medical insurance for rural and non-working urban residents will be raised by an average of RMB 30 per person per year.³

Most importantly, the government has not set an annual economic growth target for 2020 for the first time in 30 years.²

"Not setting a specific target for economic growth will enable all of us to concentrate on ensuring stability on the six fronts and security in the six areas," Li said.

"We must focus on maintaining security in the six areas to ensure stability on the six fronts. By doing so, we will be able to keep the fundamentals of the economy stable," he said. "Maintaining security will deliver the stability needed to pursue progress, thus laying a solid foundation for accomplishing our goal of building a moderately prosperous society in all respects."

The six fronts refer to: employment, the financial sector, foreign trade, foreign investment, domestic investment, and expectations. The six areas refer to: job security, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments.²

Further reading:

[Full text: Premier Li's speech at the third session of the 13th NPC \[English\]](#)

By CGTN, May 22nd, 2020

b) Other Topics that might be discussed during 2020's Lianghui⁴

Prevention and control of the COVID-19 Epidemic

- Normalization of long-term epidemic prevention and control
- Promotion of the improvement of public health system
- How to strengthen international cooperation against epidemic, related decision and trend

Fighting Poverty

- How to complete all goals facing impact of the epidemic

Completely build of a well-off Society

- How to complete related targets and set a solid foundation for the next stage

Draft Civil Code of the People's Republic of China

- Following the foundation of the adoption of its General Provisions in March 2017, the draft Civil Code will be submitted to the 13th National People's Congress for deliberation

Coping with External Environment

- What foreign policy will be adopted and how to deal with international relations

c) Lianghui during the COVID-19 Epidemic⁴

This year's Lianghui was not only postponed from the beginning of March to the 2nd half of May because of the epidemic, the format and ways of communication are also adjusted to meet the special circumstances.

- The duration of the Lianghui is shorted to only 7 days
- Only some Chinese and foreign journalists in Beijing are invited to interview, mainly via internet / phone and written formats
- No group and focus interviews for the NPC and CPPCC's committees
- Activities such as press conference will be held in video format
- Spokespersons are arranged by each committee group to deliver important news on time. Each plenary meeting will provide live TV transmission, or live update on internet with text and photos.

d) Lianghui — Background

From September 21st to 30th, 1949, shortly before the foundation of People's Republic of China, the CPPCC organized the first plenary meeting in Peking as an important institution of multiparty cooperation and political consultation under the leadership of the Communist Party of China. The first members of the Committee were elected for 5 years during this meeting, including Mao Zedong, Zhou Enlai, etc.

5 years later after the nation's foundation, the first NPC took place in Beijing from September 15th to 28th, 1954. As the plenary meeting of China's supreme state authority, this annually basis meeting exercises legislative power and has the authority to elect the leader of several important authorities, including the President and Vice President of the People's Republic of China, the President of the Supreme People's Court etc.⁵

Starting 1978, the plenary meeting of the CPPCC was held on an annually basis with the task to conduct political consultations on the country's major political policies and important issues of the people's lives, and play a democratic supervisory role through suggestions and criticism.⁶

From 1985 on, both meetings were then fixed to be held every March to provide enough timing to process each decision with solid data analysis from the year before. This timing also avoids the Chinese Spring Festival, which is usually in January or February. From 1998, the duration of both meetings was usually 10-12 days or 14-15 days (every 5 years for committee / deputy election).⁷

In 2020 the 3rd annual meeting of 13th session of CPPCC Committee (2,158 members) and NPC (2,956 members) is held. Both were elected in 2018 for 5 years of duty.

¹ [What is China's 'Two Sessions' and why is it so globally important?](#)

Gary Parkinson, May 22nd, 2020

² [China firm on achieving development goals of 2020, though setting no specific growth target](#)

Xinhua, May 22nd, 2020

³ [一组图了解#2020年主要工作和目标#](#)

Xinhua, May 22nd, 2020

⁴ [2020 全国两会主要议题内容 今年两会 7 大看点提前看](#)

People's Daily, May 20th, 2020

⁵ [如何从零起点了解两会?](#)

the National People's Congress of the People's Republic of China

⁶ [中国人民政治协商会议](#)

The National Committee of the Chinese People's Political Consultative Conference, May 11th, 2015

⁷ [“两会”何时开 幕后有故事](#)

Beijing Daily, May 20th, 2020