



## **China and Europe: united to face common challenges**

### ***Synthesis of the findings of the 2<sup>nd</sup> biennial Forum workshops***

#### ***Summary:***

In October 2007, on the occasion of the second biennial China-Europa Forum, 46 socio-professional and theme-based workshops were held for the purpose of providing a comprehensive picture of the challenges that Chinese and European societies face today. Although China and Europe are different in many ways, they are both confronted with four major challenges, namely, the construction of a harmonious society and sustainable development; values, opening up and identity; participative and integrated governance; and lastly, China and Europe in the world. This paper explains the collective methodology used to identify these common challenges and compare the importance of these in each society. Then, we shall briefly summarize the Chinese and European perceptions based on the contributions made by each workshop.

The second biennial China-Europa forum took place from 3 to 7 October 2007. It was an entirely novel event both in scope and nature, and a new way of understanding relations between societies. Nine hundred participants attended the Forum, of which 600 Europeans and 300 Chinese, and they spent four days together discussing and exchanging their viewpoints. The first sessions were held between 3 and 4 October, with 46 workshops held in 23 cities spread over nine European countries. The participants then met in Brussels on 5 and 6 October to attend the two-day plenary sessions.

Nineteen socio-professional workshops were set up to bring together people from the same socio-professional milieu, with professions ranging from academics to the military, company directors, heads of local authorities, foundations and key religious figures. The remaining 27 workshops were theme-based, with subjects that covered all the challenges faced by both societies. Taken together, these socio-professional and

theme-based workshops formed a total of nine workshop clusters that were brought together under five themes:

### **Values, religion, art, culture, education, science and technology, media**

Example of a socio-professional workshop (WS1) and theme-based one (WT1)

WS15: Journalists and the media

WT12: The change to ethical reference points

### **Society, social organisation, lifestyles**

Example of a socio-professional workshop (WS2) and a theme-based one (WT2)

WS21: Women

WT21: The impact of demographic change

### **Economy: production and the markets, labour, consumers, financing bodies**

Example of a socio-professional workshop (WS3) and a theme-based one (WT3)

WS32: Institutions of the financial sector

WT35: Sustainable agri-food supply chains and systems

### **Objectives, modes and scales of governance, from local to global**

Example of a socio-professional workshop (WS4) and a theme-based one (WT4)

WS43: Civil service managers

WT42: Urban design and urban governance

### **The relationship between humankind and the biosphere; natural resources management**

Example of a theme-based workshop (WT5)

No WS5: (no socio-professional categories representing the biosphere)

WT55: Agriculture and biodiversity

This socio-professional and theme-based diversity justifies calling this **global society-to-society dialogue**.

But a dialogue about what, and to say what? We are able to provide three answers to those questions: a dialogue with others **allows us to get to know and understand ourselves better**; it is important for each society to identify the **main concerns** and challenges that will face it in the coming decades; and the **comparison of the two societies** will provide a better understanding of the nature of each one and identify their common challenges which require a shared learning process and cooperation.

The point of the Forum's approach is that it goes beyond the opinions of experts and government programmes: it **grasps the real concerns of Chinese and European societies**. When a plan of action finds a true response among the various players in society, it has a chance of obtaining real support and triggering deep transformations. It is important for any collective action to go through a phase of **shared diagnosis** and of drawing up a **joint view** of what needs to be done. Constructing a diagnosis and a

view is quite common in the private sector, but unusual in society and even more so in a dialogue between two societies. However, it is only by understanding that they share common challenges that those societies will engage in a genuine, long-term cooperation.

Relations between societies often depend on identifying their own interests. Their relationship is based on the potentially conflictual confrontation between their respective concerns.

However, **that relationship is far deeper when two societies discover that they face very similar challenges** and that their interests are not conflicting but convergent.

To introduce such an ambitious and novel approach, a two-phase process was carried out. The first emphasized the participants' socio-professional and geographic diversity and the variety of the themes discussed, with the goal of allowing participants to express themselves freely, expound their views and allow themselves to be questioned by others. The second phase consisted of the search for a synthesis. After highlighting the diversity, we were in search of unity.

A synthesis draws all the ideas together, grouping similar and complementary ones, like using countless small stones to form a big mosaic. Two key questions arise when we convey the diverse viewpoints of some thousand participants on the specific themes that form this big picture: **who produces this synthesis** and allows him or herself to speak in the name of all? **Are there any rigorous and scientific methodologies we should adopt in this move from diversity to unity?** Or, at the very least, how can we protect ourselves from the subjectivity of the few who might use this very diverse materials, these small stones in the mosaic, to produce the image they themselves want, under the pretext of a synthesis?

Not only was the second biennial Forum an entirely new social and political event, but it also served as a good occasion to create a novel, rigorous method (which one could qualify as scientific in many ways), for identifying the major challenges and common features of the two societies. **The legitimacy of the resulting synthesis, like any scientific research, stems from the rigour of the method employed.** It is important to introduce this approach before discussing the results.

The materials used here were produced in the workshops that took place on 3 October, 2007. Throughout the morning, the Chinese participants exposed their views and clarified their viewpoints when replying to the questions raised by their European counterparts. Similarly, in the afternoon the European participants expounded their viewpoints and clarified them when the Chinese participants asked questions. Workshops participants were then asked to summarize their views in short sentences, which we will hereafter refer to as 'describers', because these sentences describe and summarize a facet of this view.

On average, the Chinese side summarized each workshop's view and in all there were a dozen describers, while the Europeans did so with five. The condensed view produced by each workshop may surprise people used to producing lengthy monographs, looking into details and commenting one aspect of an issue at length. Certainly such detail is vital for defining a complex reality, but in the Forum's approach these thorough, meticulous monographs were prepared before the workshops, and these **documents are posted on the site** (there are over a thousand such papers). Unlike those typical academic symposiums where specialists in a given subject enter into exhaustive discussions, even when the matter covers a very small aspect of society, we needed to get straight to the heart of the matter. We did not want to concentrate on the details without grasping the big picture, lest we fail to see the wood for the trees, as the saying goes. Just as we need maps in different scales to get our bearings in a country -or even in a city- with a large-scale map to provide an overall view and a small-scale one to guide us through the details.

In all, the Forum's methodology led to the creation of 46 workshops with 480 describers which could be called collectively "the Chinese view", and 214 describers constituting "the European view". Let us keep these figures in mind. Their size reflects one of the rigorous and scientific aspects of the method. This is an approach that statisticians know well: if we were to work with a small sample, for instance a dozen people for a survey or a handful of measurements for a physical or chemical phenomenon, the result obtained would be unreliable and it would be too risky to extrapolate from the conclusions. However, with a larger sample, recurrent patterns and constants start to show and the overall view emerges like a mountain from the morning mist. The same is true when it comes to reporting on the view of a society. Each describer is questionable, imperfect and possibly imprecise. But with several hundreds of them, the big picture begins to take shape and the image becomes clearer. The imperfections of the individual describers fade and give way to a collective coherence.

Yet at this stage, the mosaic has not yet been assembled and we are still faced with all the tiny stones. It is therefore important to move on to the second phase, which consists of progressively identifying **the main themes that form all these describers**. Let us return to our question: how do we achieve this, and who will do it? To answer these, we imposed two rigorous conditions.

The first was to proceed in two stages. In fact, we were careful to group the 46 workshops into nine homogenous clusters, further subdivided into four socio-professional clusters and five theme-based ones. They formed uniform "packages", less detailed than a workshop and less global than the 46 workshops taken together. For instance, we brought together socio-professional workshops that worked on values, education, science and the media, because these milieus and issues deal with what structures people's ways of thinking, with what organises their knowledge and gives meaning to their actions. These therefore constituted the first cluster. At the other end of the spectrum were all the themes dealing with relations between societies and their environment, the relationship between humankind and the biosphere, whether

in terms of water, energy, biodiversity and land, which form a coherent entity (the ninth cluster) called *The management of the biosphere and natural resources by the societies*.

In the first stage, we compared the views **within each workshop cluster** and we had a maximum of 5 describers for each workshop cluster. This could be described as the contribution of each homogenous workshop cluster to a global view of society.

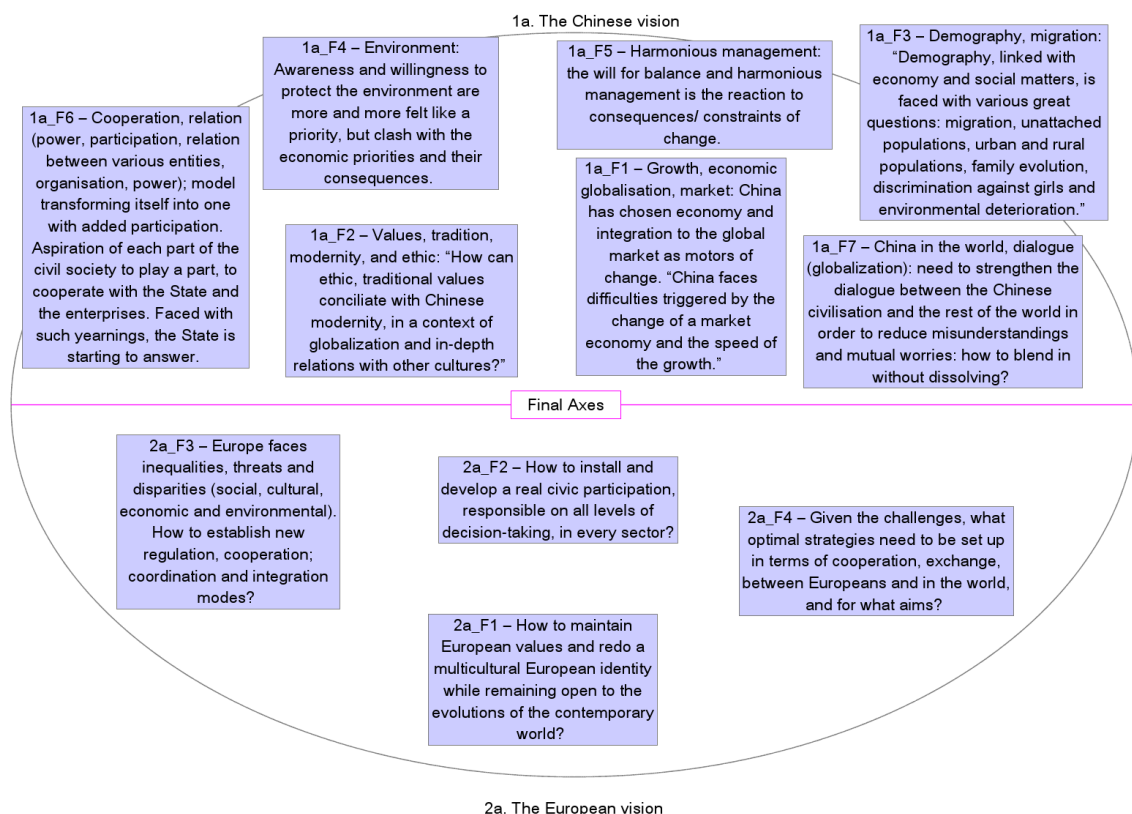
Then, in the second stage, we proceeded to a new grouping so as to combine the view obtained in each workshop cluster to form **a global view** drawn from all the nine clusters. At this second stage, we imposed a method on ourselves: to identify a maximum of seven main lines for describing the major challenges facing the two societies. By doing so, we are able to get straight to the point.

The second methodological precaution we imposed on ourselves was **to have a sufficiently large number of people to carry out the two-stage operation**. The number was fixed at around thirty, so as to avoid the synthesis being unduly influenced by any one centre of interest or by the subjectivity of one person or small group. Thus to achieve the first stage, we set up teams of three to four people, each team working totally independently on one workshop cluster so that the conclusions would not be influenced by other teams.

To achieve the second stage, we set up two independent teams of fifteen people. The first team worked on the Chinese view and the second on the European one. Indeed, if any common challenges were to emerge, we wanted these to be undisputed and not subject to any methodological bias.

In scientific terms, this would mean that this synthesis has a **procedural legitimacy: its value lies not so much in the results but in the coherent procedure used in obtaining them**. This is the sort of procedural legitimacy we would expect to see in the testing of new drugs before they are launched on the market, for instance. The China-Europa Forum is probably the first occasion where such a procedure has been applied to such a vast issue.

The following chart presents the result of the synthesis. The text of each “strategic line” was written with the consensus of the various groups. The few words or sentences that summarised the issue had to be recognised by the group as being the best way of reflecting the diversity of what that specific strategic line encompassed.



The upper part of this chart describes the major challenges faced by contemporary China, while the lower part describes those faced by Europe. There are a total of seven challenges for China and four for Europe. It is not surprising that the strategic lines identified by the Chinese outnumber the European ones, since there were 480 describers from the various workshops depicting the Chinese view and only 214 describers on the European side. A quick calculation will show that each strategic line in the Chinese view represents an average of 68 describers, and an average of 53 in the European view, so in fact the two figures are close after all.

What is striking in the chart, is the similarity between the Chinese and European strategic lines. A close look reveals slight differences in their ways of tackling **the same major issues**, although later we will see that these differences are also important in their own right. More specifically, the analysis of the four European strategic lines will lead to a new grouping of the Chinese ones.

Lines 1, 3 and 4 in the Chinese view basically deal with the same major question: China is the throes of a very rapid transformation, in line with global economic trends. This massive transformation, which has already been underway for thirty years, is accompanied by a set of social, environmental, demographic and inter-regional imbalances, which China needs to handle. This general concern corresponds to the European one expressed in line 3: how to confront social, cultural, economic and

**2a. The European view**

environmental inequalities, threats and disparities, which are the product of the current mode of development. The analysis of the Chinese descriptors grouped in these three lines confirms the relevance of their grouping.

Similarly, lines 5 and 6 in the Chinese view deal with two complementary facets of governance: line 5 emphasizes the need to adopt a more integrated approach that is more likely to ensure a harmonious development, and line 6 pinpoints the aspirations of a growing number of social players to take part in the decision-making process, as well as in defining and taking actions. These two concerns can be seen in the second strategic line on the European side: how to develop a real civic participation, responsible on all decision-making levels? The question is even more significant in the sense that the existence of democratic institutions in European countries does not suffice to create the conditions necessary for a real participation.

The other Chinese and European lines are easily matched. The second Chinese one corresponds to the first European one; both deal with the challenges to values and traditions in a changing world. The seventh Chinese line and the fourth European one both tackle the way in which China and Europe are involved in a global system, and how they should create new ways of cooperating at global level, which is what we often call the global governance.

Because of this matching, **we based the remainder of the analysis on the belief that China and Europe face the same four major challenges.** That China and Europe should face the same challenges is surprising given the very different civilisations, different levels of development and different political systems. Nevertheless, this can be explained. Both Europe and China are major players on the international scene, driven by the same scientific and technological forces. They have followed similar development processes led by companies and markets, in a global system characterised by the importance of the exchange of goods, ideas and information, and also by an increasing interdependence on a global scale, between humankind and the biosphere.

The fact that this result is easily explained does not belie its historic significance. It shows that at the present stage reached by the two societies, **the common challenges that unite them together have become more important than the differences that separate them.** Over and above the occasional cooperation between the European and Chinese companies and governments, it is conducive for the two societies to establish a structural and permanent cooperation in order to learn from each other and to encourage each other, so as to overcome these shared challenges.

In the remainder of the paper I will describe, explain and compare these four major challenges, each represented by a strategic line. Without oversimplifying too much, each strategic line may be summarised in a single sentence:

**Line 1:** The present model of development in China and in Europe, and the world as a whole, has indisputably created wealth but has also led to a series of major imbalances within society and its environment. It is necessary to devise other forms of

development that could minimise these imbalances. In China, people talk about a harmonious society, whereas in Europe it is sustainable development. These are just different terms used to describe the same thing.

**Line 2 :** Both the Chinese and European societies were built around values handed down by tradition. Even though Europe does not have China's historical continuity, this community of values, essentially derived from religion, is quite perceptible. Rapid developments in science, technology and the economy, create radically new situations that place the two societies face to face with the same dilemma: how to keep up with modernity without trading off their own values? How to open up to others while preserving one's own identity?

**Line 3:** The general concept of the management of society and governance. This is less about the forms of governance and more about the content itself. Can societies learn to manage in a more integrated fashion, various matters such as the economy, society or the environment that cannot be managed separately? And, in order to build a responsible society and take into account the steady increase in the level of education and training, how can all sectors of society be involved in participative decision-making, from a local level to a global level?

**Line 4:** This is about China and Europe in the world. If the challenges are the same for both societies, they are likely to be shared by the whole world. And in any case, the interdependence between societies and the biosphere has grown in such a way that neither China nor Europe can claim to develop separately or handle their competition. Whether they want it or not, they are bound to enter into discussion and cooperate.

For simplicity's sake, in the next sections I will refer the first line to as "harmonious society and sustainable development", the second as "values, opening-up and identity", the third "participative and integrated governance" and lastly, "China and Europe in the world".

Before going into the details for both China and Europe, and, when we do, revealing possible differences in interpretation, we first have to ask two more questions of a general nature: are these four lines, challenges, or preoccupations, perceived as being equally important in China and in Europe? And are they common to society as a whole or does each one depict only a part of it?

We have a simple indicator for answering the first question about the relative importance of these concerns in the two societies: how many descriptors are linked to each line and what percentage do they represent in the total descriptors. Table 1 presents a synthesis of our results.



Line no.	Title	Relative weight China	Relative weight Europe
Line 1	Harmonious society, sustainable development	40	39
Line 2	Values, opening-up, modernity and identity	13,5	20,5
Line 3	Integrated and participative governance	31	20
Line 4	Global governance	15,5	20,5
Total		100	100

What conclusion can we draw from this?

The first thing we learn is that the main concern both for China and Europe, is the imbalance generated by our model of growth and development, and the need to go for a harmonious society and sustainable development. This accounted for 40% of the Chinese describers 39% of European ones, which is very close.

Now if we look at the remaining three lines, we see an obvious difference: for Europe each line “weighs” about the same at 20% for all issues, but this is not the case for China. The matter of integrated and participative governance alone represents 31% of the total, which is twice as much as the other two issues. This is probably due to the fact that Europe already has democratic institutions that meet citizens’ aspiration for a participative society (in part, at least) as well as the need to adopt more integrated management methods. Finally, in both China and Europe, lines 2 and 4 tackle, in their own ways, the integration of a civilisation into a global system, and they have roughly the same weight.

I will now return to the second question: were these issues generated by specific socio-professional backgrounds or themes, or were they found in a large number of the workshops? Here too, we have a simple indicator, which was to count the number of workshop clusters in which the describers that contributed the construction of each of these lines, were found. If a line was not “transversal” and only found in one workshop cluster, it obtained one point. If the line was totally transversal across all nine clusters, it got nine points.

Table 2 presents the findings.

<b>TABLE 2</b>			
Line no.	Title	No. of workshop clusters where the lines were derived	
		In China	In Europe
Line 1	Harmonious society, sustainable development	6	4
Line 2	Values, opening-up, modernity and identity	5	4
Line 3	Integrated and participative governance	6	5
Line 4	Global governance	3	4

We can see that the lowest mark is three and the highest is six. Each strategic line for Europe regroups describers from an average of four out of the nine workshop clusters, while for the Chinese it regroups describers from five out of the nine. The result is significant. We are therefore dealing with issues that are common to many sectors in society.

The conclusion can be readily drawn: **these four major challenges concern numerous sectors in both Chinese and European societies. These challenges are basically similar in nature, except when it comes to governance, where there is a slight difference. The degree of importance of these lines are about the same for both societies.**

The purpose of the following analysis is to unravel the main aspects of the Chinese and European views for each of the four lines. This is based on the collective regrouping of the describers. I have tried to be as accurate as possible to the describers resulting from the workshops. This last stage in the analysis nevertheless contains an inevitable portion of subjectivity. I assume the responsibility. Given that all the conceptual charts are available on the website in three languages, everyone is free to carry out their own analysis.

## **1. First strategic line: harmonious society, sustainable development**

### **1.1 The Chinese view**

A total of 191 describers from numerous workshops dealing with the Chinese view, described the challenges facing the Chinese development model. Experts will learn little that is new, and the same goes for the following analyses, but what is important here is that the number of describers reveals the extent to which people are aware of the fragility and the contradictions of the current Chinese model, following thirty years of development at an pace unparalleled in human history.

When we tried to classify these describers, the idea of three inter-related transitions became obvious: the transition from under-development to development, of a planned economy towards a market economy and the demographic transition.

The transition from under-development to development favours the industrial development rationale to the detriment of the social and environmental one, the more so since there is hardly any opposition force in China to counter it. This observation was made by workshops dealing with rural areas in particular. For example, in China people continue to use pesticides now forbidden in the West, and both land and water are heavily polluted by chemicals. The rural communities are too weak or too ignorant to resist the current production models that destroy their environment and generate food production chains that are of uncertain quality. The growing disparity between the cities and the countryside is another sign of this intermediate state of development. Economic growth in China has greatly reduced the abject poverty of the countryside. Nevertheless, the gap continues to widen between the rich and poor, between the coastal areas and the interior, and between the big cities and the rural areas.

An analysis of the describers reveals that in any comparisons, China cannot be compared with Europe alone, but with a geographic and human set composed of Europe and Africa. If we view this new set as a whole, we can see numerous similarities: similar development gaps between poor rural areas and rich urban zones, villages mostly inhabited by women and the elderly with the young people in the cities, generational tensions in these rural areas due to differences in expectations, and finally, the difficulties in controlling migratory flows.

The second transition is that from a planned economy to a market economy. The banking system in China was used as an example of this. It was once monopolistic and it has diversified. It used to finance the economy, now it has the more restrictive role found in the Western banking systems, but at the same time, there is a concern that Chinese banks will lose their long-term vision that was the strength of the country's development since the 1980s.

All these issues are clearly put forward in the harmonious development guidelines laid down by the Chinese government. However, the describers show that a productivity-led model of development continues to flourish almost unchallenged. The one-dimensional, technological rationale continues to expand without any regard for the traditional equilibrium (as can be seen in the matter of water), the sector management rationale which was inherited from the centralised system, continues to prevail over any more integrated approach, even though these are considered to be vital.

The third transition is the demographic one. China's population growth has been variable but there were three fertility peaks in 1950, between 1972 and 1978, and in the 1980s. These were followed by a deliberate reduction of the number of children per family. The result of these demographic fluctuations has been to provide China with a particularly favourable age group for economic growth in the period 1980-2020.

This percentage of people of working age in the total population is exceptionally high. But here too, the transition will be very rapid. By 2050, the percentage of over 60 year-olds will rise from the current 11% to 31%. In the short term, it is vital to absorb the labour force and especially the excess labour in the countryside. This imperative is an incentive for China to pursue its rapid economic growth while taking into account the contradiction between that growth and environmental protection and the scarcity of natural resources.

The speed of these three transitions has brought about a fourth; the transition between tradition and modernity. A large number of describers mentioned the importance of not losing sight of the traditional solutions were able to correct a number of imbalances in the present development model. For instance, traditional agronomic and village techniques that respect the environment but are gradually disappearing. Traditional Confucian values advocated the harmony between society and nature, but are powerless in the face of the productivity-led bulldozers. The key role played by the family in social solidarity and cohesion in the past, especially in the care of older people, has now been undermined. One evocative describer summarised these phenomena by referring to them as a triple divorce: the divorce between inhabitants and their land, between production forces and biodiversity, between the Chinese people and their values.

Another describer resumed the contradictions that are hard to overcome when pursuing the following four objectives: increasing people's incomes, maintaining international competitiveness, social cohesion and sustainable development. All the describers pointed out that the first two objectives remain the priority today.

The describers revealed that the Chinese participants were very aware of the importance of these contradictions. They know that their leaders are equally aware but the challenge remains. A certain number of corrective policies were mentioned: a new rural policy that benefits farmers; a new, more comprehensive, water policy; and more redistributive social and educational policies. Nevertheless, policies favouring economic growth continue to prevail by far. They are considered to be the only means in the short term to handle the challenges faced by Chinese society.

## **1.2. The European view**

The Europeans also described a transition, but although the various components of this transition are similar to those mentioned by the Chinese side, the general nature of the transition and the ways of describing it, were quite different.

Most describers referred explicitly or implicitly to a certain form of equilibrium that Europe once had, which ensured a high level of redistribution and social cohesion, and associated the economy with culture, for instance in the field of education. There was a time when Western economy, science and technology dominated, and allowed the West to mobilise energy sources and natural resources from around the world for its own benefit. At that time, people had not yet realised the long-term environmental

consequences of this model of development. This equilibrium was undermined by internal and external transformations. Now Europe is seeking for new solutions, a new model, and a new equilibrium in the long term. It is aware that this will also be useful to the rest of the world, because sooner or later everyone will be confronted with the same challenge. This also presupposes changes in management and governance methods. In China as in Europe, reflections on development models and reflections on governance models are closely linked.

Let us first look at how the describers depicted these evolutions. The most recurrent words and ideas are those of transition, threat, evolution and the search for a new equilibrium. References to a former equilibrium frequently appeared in descriptions of the media, social cohesion, university, demographics and the role of religions. This former equilibrium was one between the economy and culture, between the state and the family, liberty and common property, between solidarity and efficiency. Next, the describers dwelt on the factors that are shattering this equilibrium. Modernisation is perceived as more of a threat than an opportunity, for it has boosted economic competitiveness to the detriment of social cohesion.

As in China, the evolution of the family also plays a role. It used to be the source of equilibrium and solidarity, but has split with the changes in mores. The basic nuclear family, a couple living with their children, is a minority in today's society. A sharp fall in the fertility rate has disturbed the age balance that formed the basis of the social security, health and retirement systems. There are fewer and fewer people of working age, and an increasing number of older people.

Massive migrations, in particular of Muslim populations, have challenged the elements of cohesion that might have been found in a common Christian tradition, independently of the real religious practice. Europe has become multi-denominational.

Technological changes have also played a part in this transition. For example, the vast amount of information disseminated over the Internet by non-journalists, has shattered the economic model on which the media was founded, newspapers in particular. It has become increasingly difficult to offset the cost of a journalist's work. Universities and research centres are also under the pressures of globalisation and face new demands for profitability. They feel they are being pushed, against their will, into the arms of the market economy, to the detriment of their social and cultural roles.

The model of economic growth based on industrial development is worn out. It has in part been transferred to the new industrial countries, notably in Asia, and to China in particular. Europe is in search for new driving forces for its development, but aware that economic development cannot resolve all its problems, and will be insufficient for dealing with the new forms of social exclusion.

In any case, in the long term that model of industrial development was incompatible with environmental protection. The industrial farming model was mentioned, born on the great plains and erroneously extended to more fragile ecosystems which it

consequently deteriorated. Similarly, development was carried out at the expense of an increased consumption of energy and natural resources, which is unsustainable with regard to protecting our planet and the fair access to natural resources in different regions of the world.

Some describers mentioned the search for a new equilibrium in society, in the economy and in agriculture. References were made in this case to the concept of sustainable development and social and corporate responsibility. In both cases, a simultaneous and balanced awareness of economic efficiency was expressed, along with a desire for social justice and environmental protection. Hence the analogy between a harmonious society and sustainable development.

This search for a new equilibrium also extends to other domains, for instance a balance between diversity and unity; between the variety and autonomy of local development models and the unity of the European market; between the recognition of religious diversity and the need for shared values.

Finally, there is this search for a balance in education, research and the media. In the first two cases, a balance is sought between the contribution to economic development and the transmission of knowledge and culture. In the media, it is to be found in a new parity between the role of the journalists, the public and the economic and political powers.

It is clear through the workshops discussing social exclusion or the relationship between humankind and nature, that a massive transition from the 20<sup>th</sup> century development model towards a sustainable development society is underway. It has begun to mobilise people at European and national level as well as the civil society. However, numerous obstacles stand in the way, just as they do on the Chinese side. For instance, the financing of this transformation has not been secured. The finance workshop stressed that pension funds should be engaged in the long-term investments that this transition would require, but they are currently managed in a short-term profitability perspective. And the traditional model of governance, founded on the segmentation of policies, makes it all the more difficult for more integrated and partnership approach to emerge.

The role of civil society as player in this transition is often mentioned, along with the role of cities. Cities are at the centre of the process of social and economic change, and greatest innovations are expected to emerge from them.

## **2. Second strategic line: values, opening up, modernity and identity**

### **2.1. The Chinese view**

The question of values is often considered secondary in economic and political agendas, so it is all the more striking to observe that these form one of the four strategic lines for both China and Europe.

It is noteworthy that the Chinese participants addressed the issue of values in five out of nine workshop clusters and 20 out of 46 workshops. The question was therefore not only raised in workshops dealing with ethics or religion, but also in those on education, the media or governance. This transversal aspect shows the degree of importance of ethical issues in contemporary China, even before going into the detail provided by the describers.

In this sense, as one describer summarised: “China is the empire of paradoxes”. After thirty years of extremely rapid economic, scientific and technological development and a transition from a period in which the country was closed in on itself to one in which it is open to the world and involved in the vast globalisation movement, China is seeking to find its own vision for the future and its own definition of what constitutes a good society.

An examination of the describers shows that ethical issues are raised in three main themes: the relationship between tradition and modernity, between closing and opening up, between scientific, economic and technological development and values.

The first theme revolves around **the relation between tradition and modernity**, which has been troubling Chinese society for more than a century. Through the workshop contributions we see that this theme can be broken down into four questions.

The first is, how to distinguish tradition from habit, or loyalty from rigidity? This question lies behind the following assertion: “It is necessary to rediscover the true spirit of Confucianism.” This is a case of affirming that Confucianism, the cultural cornerstone of Chinese society, is not by nature hostile to modernity — on the contrary, it offers a Chinese way of attaining that modernity. Various describers were mindful to state that it was the rigidity of traditional thinking and not its essence that stood in the way of modernity. The describers stressed that ancient Chinese values have their own universality, which instead of separating them from the other great philosophic and religious traditions that formed modernity, in fact brings them closer.

Hence the second question: to what extent can Confucianism lead the Chinese society to modernity, and can Confucianism be enriched by contributions from other religions, and Christianity in particular? The third question concerns the relationship between Islam and modernity. This is similar to the European one concerning the new place of Islam, which leads to the fourth question: how can the Confucian, Buddhist and Islamic traditions lead to the same core values for China?

The second theme was **closing and opening up**. This has also been a longstanding issue in China but has taken on a new significance with China’s growing technological and economic power. It was felt necessary, especially in the workshop on nationalism, to distinguish between what one would call national pride, which demonstrates that China has regained confidence in its civilisation, and a regressive nationalism by which Chinese identity can only be reaffirmed when confronting others. However, as

was stressed in other workshops, the world's communities need to be united in shared values in order to coexist in peace and harmony. Many participants deplored the Europeans' lack of curiosity about contemporary China, but they also acknowledged that the average Chinese also has little interest in Europe. Other participants emphasized that the opening up is as much a part of Chinese tradition as it is a Western one.

The third theme concerned **the relationship between science, technology and values**. Can the values of modern China be reduced merely to economic efficiency and a technological rationale? Are science and technology meaningful by themselves? And, as one workshop asked, can we reconcile a market economy with Confucian values? Many describers mentioned that Chinese society would be bewildered at the idea that science, technology, and the market — and the selfishness they promote — could form China's ethical base. Or the idea that this could serve its own ends and promote an education void of any ethical issues and merely focused on the transmission of knowledge and the scientific and technical know-how necessary for economic competitiveness. Consequently it was confirmed that this illusion would deprive science of any significance and society of its bearings. Hence the assertion that the scientists should be aware of their responsibilities towards society, being competent in their scientific work is not enough.

In the same vein, participants wondered if there are any limits to the transposition of Western methods to China.

Similarly, the influence of the market economy extols selfishness and individualism, which might lead the Chinese society to an impasse. According to most Chinese participants, economic development in China has gone hand in hand with a loss of values and social cohesion, which makes the quest for shared core values all the more important. The describers reveal an ambivalent attitude to the development of science and technology, which is both a source of pride and prosperity for China, but also a threat of destruction and disintegration. The ambiguity concerning the perception of religions is a result of this. There is a suspicion of religions because they could provoke a rejection of science and technology, and therefore the cornerstone of current development. But religions also attract because they represent an antidote to current disenchantment with the world and they can fill the ethical vacuum.

Two workshops, on the future of rural areas and on the media, are good examples of the ethical questioning. The villages symbolise the confrontation between tradition and modernity, heightened by their dependence on the massive migrations of young adults to the cities, leaving grand parents and children behind in a completely different world. They also bluntly raise the question of equity, particularly regarding the lack of access to education and health protection in rural areas, as well as the difficulties of preserving the rights of the rural population over the land they farm. From this perspective, the migrants embody the ethical challenges faced by contemporary China, and their integration into Chinese society raises the question of equity and the clash of values.



The media is another symbol, formerly government intermediaries they now seek a new balance. The quality of information was stressed first and foremost, but the growing commercial media favours entertainment. The massive spread of the Internet, which is now catching up with television, is also changing the situation.

At the end of the day, an analysis of the describers related to “values, opening-up and identity” gives the impression of a vast building site, rather like China itself, in which there are more ethical questions than solutions.

## **2.2 The European view**

The values issue is also a great concern in the European view, which includes some of the questions we found on the Chinese side. The three antagonistic forces, namely, tradition and modernity, opening up and withdrawing, economic rationale and values, are also to be found in Europe, but in a far less dramatic form, if only because Europe has not lived through the same series of brutal and contradictory evolutions that China has experienced for more than a century.

In Europe, the issue of values is closely linked to that of identity: can we still talk about shared values at the basis of a European identity? If so, what are they? Are they threatened by other social, scientific and economic rationales? These questions were found in numerous describers and reveal a changing and disputed identity due to a three-fold development. First, the European Union is a political entity in the making. It still needs to find itself and unite around a shared ethical base built from cultural traditions taken from both the older and the new member states. These traditions certainly have points in common, but have been separated by 20<sup>th</sup> century history. The second, more tangible evolution, is that European society has become multicultural and multi-denominational. Cultural pluralism is an instantly tangible reality, especially in the cities. This is a relatively new phenomenon, and European society has not fully re-thought its identity. Lastly, European society has also gone through profound transformations, although these have taken longer than in China. These have changed the former balance and especially the role of religion in the organisation of society.

By analysing the describers, we can see that European society is trying to redefine itself around three major values: pluralism, responsibility and solidarity. The most frequently mentioned is pluralism, which refers first of all to the idea of liberty and secularism. Pluralism and liberty appeared as conquests wrenched from the former dominance of the Church. Pluralism is also linked to the notion of equality. But are these values not also being challenged in Europe with the present dominance of science, technology and the economy, whose influence has replaced that of the Church?

Journalists, for example, query the plurality of sources of information, given the economic hold on the media and audience dictatorship. And by transmitting

knowledge rather than values, does education not incarnate the new dominance of science and economy?

The equality of young people, women and migrants is laid down in the law, but what is the reality in practice? Minority cultures are legally recognised but can these groups really express themselves in public? It would appear that the Europeans also have to find a new balance between claiming an identity and local specificities on the one hand, and opening up to the world on the other. Above all, pluralism itself, the assertion and recognition of differences, is not sufficient in itself to unite a society around common values.

The second important value for Europe is responsibility. The theme was raised in a limited number of describers, but significantly, in a great variety of contexts. Women claim a more important role in the economy and in society. City dwellers want to be considered not just as “users” but want play a role in the construction of their cities. Company directors are being asked to take on their social and environmental responsibilities as much as the economic ones, and go beyond their own interests. The subject was also raised by young people in view of the current debate about a European civic service, which could serve as classrooms for responsible citizenship. Exercising responsibilities was also considered to be a condition for social integration, in addition to the recognition of the rights of employees, young people, women and migrants.

Finally, participants confirmed that solidarity is a value to be promoted in society, but the theme was not elaborated.

### **3. Third strategic line: participative and integrated governance**

#### **3.1 The Chinese view**

Two lines were grouped together here, one focused on the importance of a more global and balanced management, the other the redistribution of power. Both resulted from reflections about changes in the development model towards a more harmonious society, but this time focused on the social and political conditions for these changes.

Reading through the describers, we get an overall impression of a society seeking to preserve the forces that led to the rapid development of the past thirty years, while wanting to face the contradictions brought about by that development, and to adapt its mode of management to the new societal situation.

It would be inappropriate to claim that the entire Chinese society has expressed itself here. Among the 300 Chinese participants, very few represented the working class and academics were the majority. Despite this, it is important to note that almost one third of the Chinese describers concerned the mode of management of society, compared with one-fifth on the European side.

Firstly, the current level of development has given rise to a stronger desire to take part in the management of society. The word democracy was not uttered but it does, in fact, summarise the various expressions of this aspiration for recognition and social participation. In addition, many describers pointed out that positive changes are occurring in this direction, while deploring that these change are inadequate.

The case of the media is interesting. The journalists stressed that the media is a major vector for democratisation. The relationship between the media and the government is less troubled than in the past. Commercial media are now competing with state-owned media. Most journalists are members of the Communist Party but things are changing. The press remains a government organ, but is placing more importance on news and commentary. However, the situation is precarious due to the absence of laws on the freedom of the press or a code of conduct for journalists regarding their rights and responsibilities. With the widespread use of the Internet, there is a rising tide of information provided by non-professionals, but the information is not checked. Similar observations were made by the artists, who are also trapped between government policies and market forces.

Many describers pinpoint the contrast between the strength of the State and the weakness of civil society. They observed a positive trend towards a better equilibrium, but, as one describer said, "There is still a long way to go". China, a country of paradoxes, has created the concept of GONGO, or government-operated non-governmental organisations. To obtain recognition, NGOs in the field must register with the State and they do not enjoy the status of not-for-profit organisations. Moreover, their means and impact are limited. Governmental or not, these NGOs often act alone and lack networks and experience. The vicious circle of the weakness of NGOs and their lack of representativeness remains a problem. Consumers, for one, bear the brunt of this weakness. Because of the difficulties in setting up independent NGOs, there are no organisations capable of protecting consumer rights. And although there are legal measures that allow consumers to sue dishonest companies, in practice such lawsuits hardly get anywhere. There is a lack of advocacy on responsible consumption, because the NGOs are powerless.

Social fragmentation also exists in the economy where small companies are often neglected. They struggle to survive with a shortage of financial and human resources.

According to the describers, China is still a long way from a rule of law. The judiciary is not independent and has not kept up with the rapid economic and social development. It is interesting to note that most describers relate rights with equity. There were strong demands for farmers and migrants, an issue that was keenly raised. Since migrants are not registered they lack rights and are easily exploited, especially female migrants. "Migrant workers should be allowed to assert their rights and improve their living conditions," one describer said. Another remarked that, "At present there is an imbalance between economic development and workers' rights," while a third added that "Rural areas should also benefit from the country's modernisation process."

In addition to claiming rights, there was a demand for social participation. Several workshops mentioned the existence of direct elections at village and city levels, but their evaluations were not very positive. One workshop observed that, “The electoral laws are unclear and not always observed,” “Participation is poor at local elections because nothing is really at stake,” and “There are considerable tensions between the local authorities and village committees due to scandals and conflicts of interest.” Another workshop stressed that, “Corruption tarnishes the image young people have of their society.”

However, changes are taking place. A national reform was carried out to clarify the respective roles of the Chinese Communist Party and the Chinese government. As participants from two workshops pointed out, “We are progressively moving from the exercise of personal power to the exercise of institutional power with a collective decision-making process,” and “We are moving towards the emergence of a rule of law.” Participants wished to see the emergence of new forms of cooperation between the State and civil societies, as well as a greater decentralisation of power. However, one workshop raised this question: “How can a good balance between a strong and a weak government be found? And can democratisation be reconciled with political stability?”

Various modes of governance likely to lead to a harmonious society were also mentioned. Here, most describers were in the form of questions or experiments. “How does one reconcile liberalisation with social and environmental justice?” Where water is concerned, a system of negotiable rights is currently being tested to deal with the problem of water shortages in northern China. Similarly, experiments are being carried out with new modes of cooperative management for the Yangtze and Pearl River basins, with the downstream regions subsidizing the upstream ones. Alternative farming methods are also being explored, with the greatest expectations for international cooperation being for new and better-integrated ways of managing society.

### **3.2 The European view**

Even though the issue of changing ways of managing society was less of a priority for European participants than for Chinese, it still represented 20% of the describers. These show that Europe also needs to adapt its governance to tackle five issues, namely, the search for convergence between different European traditions, the issue of the welfare state, the capacity for managing the complexity and interdependency of problems, the integration of new methods and aspirations for a more participative government, and finally, working together in coordination across time and space.

The first challenge is the search for convergence. Here Europe is confronted with two additional issues as a result of the enlargement of the European Union to 27 member states. Firstly, some countries, notably the founding states, have a democratic tradition and a balance between public and private sectors as well as between economic and

social objectives. The new, less affluent, member states, have to go through a transition from a political and administrative system inherited from the Soviet era to integration into a democratic Europe. Secondly, convergence cannot be achieved simply by bringing the new member states into line with the founding states because “old Europe” also has to reform under the impact of globalisation and competition from emerging countries — China in particular. Consequently, convergence cannot be conceived as static, but something that must take place within a system that is globally faced with a need to reform.

The second challenge is the querying of the welfare state in the oldest EU countries, as a result of the pressures of globalisation and its limited effectiveness in the face of new forms of poverty and social exclusion. A new equilibrium is necessary to take into account economic competitiveness, social integration and environmental issues. In addition, the arrival of new member states has led to growing regional inequalities in Europe, and the EU budget, including structural funds, which were efficient for helping countries to catch up in the past, may now prove to be insufficient.

The third challenge concerns the ability of public institutions and European government systems to handle complex issues. This topic occurred frequently in the workshop on urban governance. Participants from other workshops wondered about the extent and limitations of public administration methods inspired from the private sector. There were clear concerns about the importance of attaining sustainable modes of development and consumption, fighting against urban sprawl and restoring more compact European cities, but the ways of tackling these issues were vague. There was an emphasis on public-private partnership as one way of learning to manage the complexity of these issues, as well as finding a balance between economic, social and environmental objectives. A more global approach should replace governance based on the compartmentalisation of spheres of activity.

The fourth challenge concerned the renewal and revitalising of democracy. In older EU states, the dominant political model is representative democracy and a party political system, where inter-party competition ensures the vitality of political life. Elections guarantee the legitimacy of the exercise of power. But these traditional forms of democracy are now in a state of crisis and there is a demand for a more participative process. New consultative actions, such as citizens’ conferences, are paving the way for a new foundation for legitimacy. Today, information is rapidly disseminated on the Internet, allowing citizens to voice their opinions in different ways and access alternative channels of information. But although the Internet has generated new forms of democratic debate and shaping public opinion, it may also leave a part of the population behind. Participative democracy combines individual demands, such as the expression of individual opinions on the Internet, with collective demands such as taking into account the points of view of civil society organizations. People are seeking a balance, but have not yet found it. In urban governance for instance, the need to implement a more participative approach may conflict with the need for the long-term planning required to meet the demands of the modern era. We might describe this

as a vast experiment with new forms of democracy but without any one model predominating so far.

The last challenge concerned coordination across time and space. One describer stressed that, “Thinking at European level is not enough.” Indeed, managing Europe is an integral part of global management. At the other end of the spectrum, cities have become major economic players in the world with a growing autonomy. However, these urban conglomerates consist of a large number of regional communities, and a more large-scale coordination is therefore necessary, in addition to more integrated management. Hence the need that was stressed for a new strategic approach founded on a new way of connecting different levels of government with different time scales.

## **4. Fourth strategic line: China and Europe in the world**

### **4.1. The Chinese view**

China’s place in the world and global governance represented 15% of the Chinese describers and 20% of the European ones. Yet the differences between the two lay mostly in the way the issues are tackled. This challenge was well summarised in a describer from the working group on “China in the world and dialogue in the globalisation era: the importance of improving the dialogue between China and the rest of the world as so to reduce misunderstandings and recriminations; how to integrate with each other without losing one’s identity?”

Our analysis of the describers showed that the Chinese preoccupations revolve less around the organisation of a global system but more around how China can find its place in the world and can be accepted by other powers or regions. As one describer from the world governance workshop put it: “China is confident that it will take part in global affairs on the basis of common interest. But before entering onto the international scene, China has to solve its internal problems, which in itself will be a great contribution to world governance.”

Most describers mentioned “the peaceful rise of China”, a notion put forward by the Chinese government. This occurs at two levels, at regional level where China wants to discuss and peacefully resolve problems such as natural disasters, epidemics, drug trafficking, and border conflicts within a regional framework, and at global level, where the challenge is for China to be recognised and accepted, and, as one describer put it: “to maintain good relations with other powers”.

In analysing this challenge, it was particularly interesting to note the Chinese point of view and the questions raised by the Europeans. The largest contributions were from workshops dealing with the challenges and benefits of European-Chinese dialogue, nationalism and cosmopolitanism, the position of China and Europe in the global system of production and trade, the search for a form of governance suited to the challenges of the 21<sup>st</sup> century, and finally, global affairs and global governance.

A describer characterized nationalism as both “rational and emotive”, another viewed it as “coming to the aid of ideological decline”, and the third one regarded nationalism as “basis of the regime’s legitimacy”, emphasising the return of China to its great power status. China wants to be recognised by the world for what it really is, and discards any recognition conditioned by a submission to Western criteria.

The desire to “integrate without losing one’s identity” was a theme raised by many describers. The predominant feeling was that there is a lack of understanding of China by the West, leading to a desire to deepen and strengthen communications between China and Western countries. The workshops on economic themes, especially those on production systems and the markets, echoed most of the current debates occurring in negotiations between China and Europe. China sees herself as a victim of Western misunderstanding, for example, in the West’s refusal to recognise China’s market economy status. “China considers itself as a country which already has a market economy despite Europe’s refusal to recognise that. China believes that it is important to distinguish politics from trade.”

China considers itself as the victim of discriminatory treatment due in part to its desire to remain as it is, and denounces the protectionism that prevent Chinese exports, and the investment and social barriers imposed on China by Europe. China wants the possibility of opening a peaceful dialogue without being obliged to accept Western values and political systems. As a describer said, “Disputes and differences are understandable but we should focus on mutual understanding and look for common values over and above cultural and ideological conflicts”.

But, replied the European participants in substance, China is not playing by the rules of the game. “Can China guarantee that it is fulfilling all the commitments it made when it acquired WTO membership?” “Is it fair that the Chinese overseas investments are carried out by state-owned enterprises, backed up by the government and not by market forces?” “Will China take concrete measures to protect intellectual property?” “How will China resolve the problems of the growing trade deficit with the European Union?” “Is China ready to open its market to European goods and services in exchange for a reciprocal opening of the European market?” and “Is it ready to accept the economic cost of environmental protection?”

To which the Chinese side replied by stressing that the country is in transition and is gradually drawing closer to the Western model but does not wish to relinquish what makes it efficient. This plea was particularly noticeable in the workshop devoted to the role of the economic and financial players and their ability to take a long-term view.

The Chinese participants stressed that, “State-owned enterprises are better placed to make long-term investments.” “The Chinese financial system has already changed a great deal, from a single-bank model before 1994 to a system based on financial markets where the role of banks, while still important in the financing of economic activities, is less so than previously.” A comparison was made between transition of the Chinese financial system to that of the post-Communist European states.

## 4.2 The European view

Although there were many describers grouped under this theme, there was a considerable diversity of opinion. The general idea was that globalisation and the rise of emerging countries like China have put Europe in a new context that it will have to face up to and adapt accordingly.

Three main topics stand out, each associated with a specific workshop cluster, suggesting that opinions were diverse. The first came was from the socio-professional workshops, notably those on farmers and fishermen, and the workshop on employees' rights. Europe is now under the dual pressures of international migration and economic globalisation. Will Europe be able to safeguard its social model and allow immigrants to truly benefit from it, while at the same time competing with different legal, tax and cultural systems?

The second topic came from the workshop on the position of China and Europe in the global system of production and trade. The Europeans were aware of the need to re-assess economic relations with China, which "...is no longer a supplier of cheap manual labour but a business partner". In this new context, the Europeans are aware that they have a disorganised approach to China, "Regionalism continues to influence the European approach to the Chinese market", as well as a certain ignorance: "the European business world lacks understanding in Chinese negotiation and arbitration". So many decades of a European sense of superiority with regard to China have inevitably been transformed into a weakness. At the plenary sessions, many Chinese participants also pointed that the China is far more curious about Europe, than Europe is about China. Moreover, today the majority of Sino-European mediators are Chinese. Europe certainly advocates a multi-polar world order, but one inspired by the European model, rather than one in which the major powers meet on equal terms.

And indeed the third theme was about the concept of global governance, essentially debated in the workshop dedicated to the topic, and once again, Europe did not have a unified position. Nevertheless, European participants were very responsive to the need for establishing a global approach to problems such as international waste transfer or environmental protection. They found that current international organisations are now inadequate and unable to handle financial or political crises, that international laws and treaties are not restrictive enough, that there is a need for an international legal system, and that the present segmented management of problems requires overall solutions. Doubtless Europeans have grown used to a certain degree of supranationality within the EU. The Chinese participants responded with the usual diplomatic line, "a respectful dialogue implies non-interference in the domestic affairs of another State." Here is a rift that will have to be overcome.