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# CHINA WATCH



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# The Current Situation of the Developmental Efficacy of China and the Construction of Social Governance Institutions

Li Liangrong, Center for Communication and State Governance Research

The index of Developmental Efficacy of China (DEC) describes the public satisfaction of China's development. It is the combined evaluation of economic development, political stability and public's perception of happiness, reflecting the efficacy of social governance in China. Based on the survey of DEC, this paper aims to discuss the construction of social governance institution in China, and offer policy suggestion on innovative social governance in Shanghai.

## *1. The Current Situation of DEC*

Center for Communication and State Governance Research in Fudan traced Weibo users of multiple occupations and social groups. The center measures the perceptions of safety, comfort, identity and development of the Chinese netizens. The result is published as The 2014 Annual Report on the index of Development Efficacy of China, and the main features of DEC are listed below:

### **1) The internet society shows positive efficacy and high perceptions of development and identity**

The analysis of DEC data infers that the internet society in China shows positive efficacy. The reasoning is coming back and becomes mainstream. Netizens express their identity to the current institutions and social environment, have good perception of safety and comfort, as well as showing their confidence on personal and social development. All four related secondary indicators are positive for all, with the indicator for identity ranking first, development second and safety last. The tendency of the whole data is high in both development and identity.

### **2) Chinese Netizens hold positive opinion towards current political institution and have strong political trust.**

For average people, internet society seems to be filled with negative emotions in recent years, because increasing collective action seems to

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Based on the data collected by tracing the users of Weibo platform that covers multiple occupations and social groups, after data processing and analysis, Center for Communication and State Governance Research in Fudan University conducts the index of Social Effectiveness of Development of China (SEDC). Based on the analysis of SEDC index, report demonstrates that network society in China is positive in whole as evaluated, netizens hold positive opinion of current political regime and have strong political trustness; while the security and comfortness of the network society, and the gaps between different social groups

demonstrate the conflict between the public and the government. And social network, served as a channel for public opinion, is imagined to be full of negative feelings and comments on government. However, the data from Index of DEC shows that the political identity of Chinese society is high in whole. This demonstrates that Chinese netizens have positive evaluation on current institutions with high acceptance and high trust. The indicator of political identity shows no significant difference among samples of different regions, different generations and different influence on social network, but the gender and social status have significant influence on political identity, those who are male and in lower social status are more likely to have lower political identity and lower efficiency in political identity.

**3) Chinese internet society shows positive efficacy with limitation. The safety and comfort of the society need improvement, and the gap among different social groups need to be narrowed rapidly.**

Chinese internet society shows limited positive efficacy, which is positive in whole but needs to improve in many perspectives. On one hand the index of social security and comfort are negative, on the other hand the group in lower social status shares negative efficacy too. Significant difference in social efficacy exists between diverse gender and social groups.

***2. Construction of social governance institution based on people's livelihoods***

The result of DEC survey suggests that, the improvement of social efficacy relies on solving the problems concerning daily lives of citizens and bridging the gap between different social groups. It requires that the governance of Chinese society should pursue the value of protecting and improving the well-being of the people. And the reform of social governance should promote fairness by protecting the social safety, the social benefit and the right to express the interest of social group, especially the disadvantaged ones. Based on these principles, the Chinese social governance institution should have following characteristics:

**1) Multi-subject participation in social governance**

Traditional Chinese society is dominated by the government, but civil society is less developed. As a result of this social structure, the social

are huge. So, this report suggests the establishment of social governance system that is based on the well-being of the people and participated by multiple social groups, aiming at solving social conflicts and perfecting social security system. As to Shanghai, it should promote policies relating to the issue of local governance, social security and social safety.

governance institution dominated by government extremely. With the transition of economic and social structure, the diversification of social demand from the public leads to the situation that governments cannot provide enough public products and service. At the same time, the diverse interest groups are created. The social groups controlling the public opinion hold the social resource and influence that can impact public policy, so that the fairness and equality of public policy cannot be guaranteed. In order to guarantee the comprehensiveness, fairness and equality in providing public goods and services, not only government regulation but also the participation of social governance are necessary. The social governance should be guided by the government with the participation of social organizations and residents.

On the one hand, the government should help to cultivate social groups by bridging the gap between residents and social groups. The Chinese social organizations are less-developed now, so the government should support them by using tax preference and fiscal subsidies. At the same time, the government should loosen regulations on activities of these social groups and support those organizations which serve for disadvantaged groups. On the other hand, the government should lead citizens to participate in social governance and protect their legal rights and personal interest. The degree of public participation of Chinese citizens remains low recently, so government should enhance legislations related to the public participation of social governance, improve the public consciousness and create the institutions assisting the public participation of social governance.

## **2)Resolve social conflicts by innovation**

China's social development results in new social conflicts, of which roots in livelihood issues. The more concrete problems of these conflicts are the inequality of income distribution that results in the demand for social security regime and income equality, the less development of social welfare institution that results in the petition for public service in education, culture and healthcare, and the restriction derived from Hukou system results in the demand for improving living standard from migrants. The resolving of these conflicts depends on the reform of socio-political institution

The government should prevent or resolve social conflicts by perfecting the mechanism of the evaluation of social risks involving critical policy

decision, of hearings of administrative reconsideration, and of replying to the public demand. The success of resolving social conflicts also depends on the reform of the transfer payment institution, the social security regime, the Hukou system and etc.

### **3)The perfection of public safety institution**

Chinese society is facing various threats from all aspects. The large-scale collective activities, the issues of food and drug safety, major industrial accidents, fraud affairs, social hostility and terrorism are all threats to the social safety all the time. These issues lower the Social Efficacy of the development of China. Government should establish institutions to regulate social safety, food and drug production, industrial and commercial production, disaster prevention and reduction, and information safety.

In the times of rapid information technology development, the protection of public safety requires not only the coordination of different departments of government but also the integration and the sharing of information inside. The reaction to public safety accident should be based on the gathering and analyzing information.

### ***3.Policy suggestion on innovative social governance for Shanghai***

In the report, The 2014 Annual Report on the index of Development Efficacy of China, Shanghai ranks first among the main cities Shanghai, Beijing and Guangzhou. Shanghai, as a megacity with largest population in China, has its problems in development however. This report suggests that the following measures should be taken to strengthen the social governance:

#### **1)Strengthen local organizations to satisfy the demand of public service**

The relative location of downtown and country in Shanghai has changed definitely during the development of Shanghai. For example, downtown expands gradually, the suburban area exists in several forms of community, and the exurbs decays and so on. The providing of public service cannot suit these changes. And this incoordination requires the government to adjust social governance according to the local situation. In 2014, the research project aiming at creating social governance and strengthening local organization is regarded as the No.1 research project



by Shanghai government. The results of the project demonstrate that in certain areas, public service is in deep scarcity, and the community governance is insufficient and the ability of social mobilization is weak.

Nowadays, Shanghai government issues one major document and six subsidiary documents related to these projects. The major document is titled Policy in Strengthening Social Governance and Local Organizations, with six subsidiary documents concentrated on reforming sub-district administrative office, perfecting community governance, perfecting county governance, strengthening grid management, organizing social forces and regulating social workers. These documents aim at solving problems in sub-district organization, team building in local bureaucracy, resource distribution and funding problems. The efficiency of these policies need further test, and the government should promote practice in creation of local social governance to providing empirical evidence for theoretical research. The evaluation system should also be built to evaluate the effects of social governance. Of course the policy should be adjusted in time based on the response from the practice.

## **2) Strengthen the social security regime to guarantee and improve the standard of livelihood**

The major livelihood problems in Shanghai are high prices in goods, in real estate and in medical care, high structural unemployment rate, huge wealth gap, insufficiency of facilities and services for the elderly, bad community environment and etc. Thus, the Shanghai government should use the force including the market and the government to smooth the price, and perfect the social security regime firstly, then, enlarge the coverage of public housing and build support services to the communities. Thirdly, the government should issue supporting policy on undergraduate and the disadvantaged to help them employed, and expedite the reform on public hospital and integrating medical care resource. Last, it is supposed to promote the reform on income distribution and perfect the social security regime.

## **3) Improve social safety institution of the city to maintain social stability**

The stampede happened on Dec. 31th, 2014 reveals that the social safety regime in Shanghai is not flawless. Government has no correct estimation of city development and risk in safety. The organization of

social safety regime is systemically flawed, and the multi-layered force that protecting social safety is not deployed. To make up of these flaws, the city government should adjust the planning of city space and improve the municipal facilities based on the capacity critical area, and strengthen the security protection system by establishing perfect surveillance system, arranging scientific procedure and building efficient teams of the security forces.

*Translated by Zhu Chentuo*

# Asian's Aging Population: Challenge and Strategy China as an Example

Peng Xizhe, Center for Population and Development Policy Studies

## 1. Background

### 1) Trend of Population Structure Change

Asian's aging population is rising continuously, due to rising life expectancy and rapidly decreasing fertility rate. Asian countries are all facing a dramatic demographic shift. Aging population has become one of the most important realistic and long-term challenges facing Asian societies.

China's aging population problem is quite severe among Asian countries. To a large extent, the situation of aging population in China will affect the situation in the whole Asia. According to data issued by the National Bureau of Statistics, the proportion of people over 60 in China reached over 10% for the first time in 2000, and 13.3% in 2010, which is about 180 million people. By 2010, 30 among 33 provincial areas (including Hong Kong and Macao, excluding Taiwan) have more than 10% of aged people (60+). In the long run, aged population in China will continue to increase rapidly in the next 40 years, and will reach its peak (over 400 million) during 2050-2055. Even though the aging process will slow down after that, the overall trend is that the percentage of aged population will be about 34% in 2100. In a relatively long period, the aging trend is irreversible, and the aging phenomenon will last during the whole 21st century. While with the social and economic development, there will be new breakthrough in modern medicine and life science. As a result, the possibility that life expectancy will be further extended is quite high, and the chance to go back to high fertility rate and a large-family pattern is really slim. At least for now, it is hard to imagine that the Chinese society will be young again.

### 2) Aging will be the New Normal for Human Society

Aging is not only an inevitable trend of social and economic development, but also inexorable result of the transformation of population reproduction model from a traditional type (high birth rate – high mortality rate) to

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The problem of aging population will be a huge challenge for China and even the whole Asia region. Therefore, it is a must to understand it and find out the ways to cope with it from all aspects.

a modern type (low birth rate – low mortality rate), and it can be even regarded as an important symbol of social modernization. Essentially, aging is neither good nor bad itself. However, under the current social and economic institutional arrangement, people still lack necessary and timely reaction, adaptation and adjustment for this unprecedented demographic and social change, which makes aging still be regarded as a challenge today, and is related to every aspect of social and economic development.

(a) In economic field, aging will not only impact social security system, labor market, savings, tax revenue, investment-consumption and industrial structure, but in long-term, it will also lessen China's advantage in demographic structure, which will directly affect the sustainability of China's future economic growth.

(b) At social level, aging will affect social class distribution and relation between generations, urban-rural structure, region structure, family pattern, and housing and migration, etc. It will also put forwards new requirement for health and health care system.

(c) Culturally and politically, aging will not only change people's traditional ideas and life styles, but also influence the relationship between different social groups and their political power landscape, and will even have effect on important political structure such as national function, party system, stable political environment, etc.

(d) Especially in China, the huge aging population, basic national conditions such as “aging without preparation” and “aging without being wealthy”, as well as traditional moral standard of behavior, also magnify the effect of aging on economic, social and cultural development. It is not hard to see that, although aging is a demographic phenomenon at first place, it is not outside social stability, economic prosperity and cultural development. It is also relevant to issues such as globalization, urbanization, family nucleation and polarization between the rich and the poor. Actually, it is increasingly related to social, economic and cultural issues and trend, and it plays a larger role when interacted with these issues. Therefore, how to cope with an aging society is not only a technical problem, but also requires the coordination and equilibrium of different systems, and the reconstruction of the organization and operation of the whole society.

## ***2. Structure Explanation***

There is no foreign experience for China to learn on how to cope with many challenges of an aging society before modernization. As a result, integrated, innovative and prospective research should be done based on experience of the West and Chinese Characteristics.

Dealing with aging society should not be an emergency strategy but an issue about whether it can coordinate with long-term and sustainable social and economic development. Especially, since China is facing the aging problem in the case of underdeveloped economics, insufficient employment and imperfect social security, it should seek for a responding pattern to integrate economic and social development internally. By such pattern, China can integrate the realistic problem of aged people with the sustainable development of an aging society, so that to reduce the overall cost of China's economic and social development.

At the same time to coordinate the function and resource of different action subjects such as the government, market, society and family to create a synergy, regional and urban-rural relation should also be coordinated to regulate and guide the orderly flow of resource. For China, which is in the acceleration process of population aging and the crucial time of social transformation, the building of a social governance system for aging society which includes multi-system approach, mutual complementing and cooperation, balanced resource distribution and differentiated spatial arrangement, is not only the key of policy coordination to deal with an aging society, but also useful to reduce the system operation risk.

Guided by this academic thought, this panel is consisted of five modules as following:

*Module One:* Research on demographic basis in aging society. By prediction and analysis, to show the demographic situation and characteristics of aging society in the future, to provide all-population and all-factor prediction and analysis, and to depict the law of development and regional model of population aging in China.

*Module Two:* Research on health basis in aging society. The characteristics of aged people's physical and mental health, the dynamic temporal and spatial change, as well as other influencing factors which should be

deeply analyzed and the cross effects between physical and mental health should be discussed. The characteristics of social engagement (including social networks) of aged people and its effect on their physical and mental health should also be analyzed in depth. Deep research is planned from personal life course, including socioeconomic situation in childhood and the impact of social positive position and behavioral habit on the health condition of aged (especially senile) people.

*Module Three:* Research on social support in aging society. This module is devoted to the construction of a social support system targeting the realization of equilibrium over generations by multiple governing.

*Module Four:* Research on economic support in aging society. This module is devoted to the study of the economic characteristics and the support system of China's aging society. The academic thoughts emphasized in this module are the emphasis on overall or general equilibrium of the economic system, as well as appropriate balance of welfare among different groups and cohorts.

*Module Five:* Research on institutional and policy system in aging society. This module is devoted to the reconstruction of public policy and public administration system for aging society.

### **3. Policy Advice**

Many researchers take aging as an abnormal social situation and consider it as a heavy burden. Also, many researches still discuss approaches to prevent or delay the aging process within a traditional logic framework. Actually, it is dealing with the challenges in 21st century using the ideas in 20th century, which cannot really solve the problem. In this panel, we believe that we should face up to the challenges brought about by the aging society, re-identify the basic scientific questions of how China can cope with its aging society. In order to support Chinese society to continue its health and coordinated operation and development on the premise of adaptation to an aging society, systematic responses are given from five aspects: "population", "health", "social support", "economic support" and "institutional and policy reconstruction".

#### **1) National strategic demand should be reflected when coping with aging society**

The strategy to cope with aging society, in order to meet China's demand

by effectively support need of national macro-level policy-making and management practice, should combine significant demand of China to deepen the reform in an overall way and to greatly improve citizen's livelihood, based on the reality of China's rapid aging process, focus on the development trend of China's aging process, the new characteristics of aged people now and in the future, the constitution of social and economic support system for an aging society, and the implementation of major basic scientific problems of relevant institutional arrangement and reconstruction of policy system.

## **2) Economic, social, cultural, healthy and environmental factors should be considered when coping with aging society**

Although the aging process is a demographic problem in the first place, it cannot be directly controlled only by focusing on demographic factors. Economic, social, cultural, healthy and environmental factors should also be considered, and the limitation of traditional approach to analyze and study the aging society by using single subject and traditional theory is becoming increasingly obvious. The study on how to cope with China's aging problem should focus on the characteristics of Chinese aging society, integrate different subjects such as demography, sociology, economics, public health, management science and policy science, to deeply discuss the major basic scientific questions, conduct systematic, innovative and prospective research, and provide new theories and methods which both accord with China's reality and are also relatively universal.

## **3) China's uniqueness should be noticed when coping with China's aging problem**

China's aging process has its unique social, economic and cultural background, and its development process is also different from the experience of other countries. Therefore, it is of great practical significance to provide plan of social reform and institutional reconstitution which fits China's practice, and to provide policy-making consultation and operation support for the re-design, re-develop and operation of institution, policy and laws related to Chinese aging society, based on China's social, economic and environmental reality, in the context of globalization, marketization, informatization and new-type urbanization, according to the requirements of pushing the modernization

of national governance system and governance capacity.

**4) Existing research method and technique should be upgraded to promote governance of aging society**

The research method and techniques of traditional research on aging society should be upgraded, in order to actively push forward the scientificity of research on aging and governance of aging society. The cutting-edge research method of different subjects, including math, management, mathematical economics, information science, system science as well as policy science should be systematically introduced and integrated. The development of information system and research tool on that basis will not only have innovative significance in research method and technique, but also has broad application prospect.

**5) Advice for Shanghai**

In the current stage, the aging process of Shanghai registered population should be specially focused when studying Shanghai's aging process. Firstly, Shanghai registered population should be encouraged to carry out birth according to the childbearing policy in Shanghai. Especially for qualified couple of child-bearing age, they should be encouraged to have two children. Secondly, the construction of the supporting system for aging society should be strengthened, and the institutional arrange and policy design related to the aged population should be optimized quickly. Again, making up for the insufficient number of labor with registered status in (large) metropolis by raising their quality might be an effective method for metropolis to cope with the shortage of local labor force.

*Translated by Qian Jing*



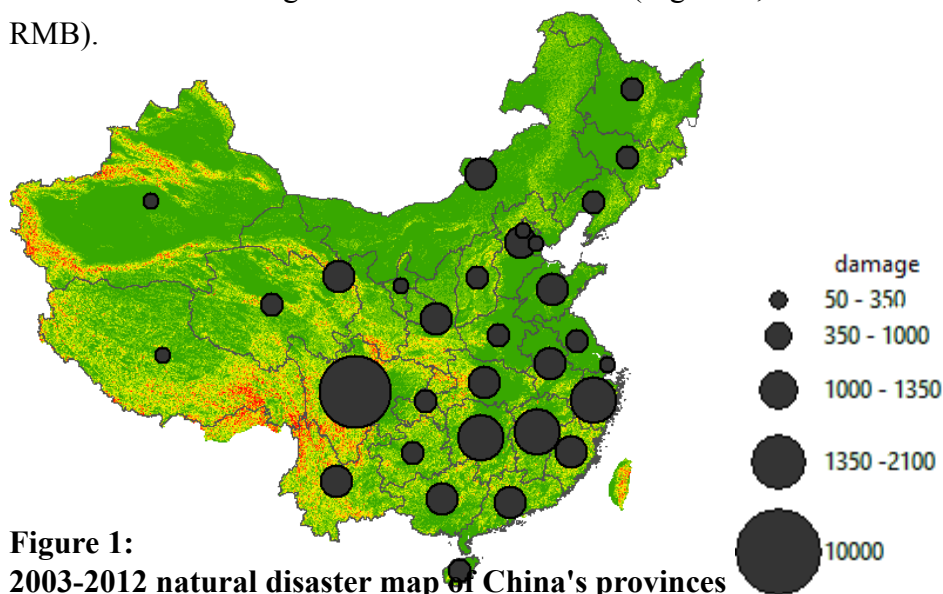
# How the innovation of financial insurance boosts China's disaster prevention and reduction

Xu Xian, China Insurance and Social Security Research Center, Fudan Development Institute

In the 30 years of reform and opening up, China's economy has maintained a high growth rate that has caught the attention of the world -- but the rapid economic growth is at the cost of the environment. The aggravation of environmental pollution and ecological deterioration has led to more fragile ecological environment in China's central and western regions. Natural disasters occur ever more frequently. It is hard for domestic economy to maintain a sustainable growth. Therefore, study on the relationship between natural disasters and economic impact is of great importance.

## *1. Natural disaster impact China's current economic operation and social stability.*

China's geographical location determines that China is the natural disaster hit. According to the National Disaster Reduction Committee statistics in 2013, various types of natural disasters in China affected 388.187 million people totally. 1851 people died, 0.875 million houses collapsed, 31349800 hectares were affected and the direct economic loss was up to 580.84 billion yuan. From 2003 to 2012, the sum of China's natural disaster economic losses is up to 3775.7 billion, and all provinces have suffered different degrees of economic losses (Figure 1, Unit: 0.1 billion RMB).



**Figure 1:**  
2003-2012 natural disaster map of China's provinces

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There is no unified insurance mechanism model (which helps in the disaster prevention and reduction) for China to refer. It requires a comprehensive review for all the elements. Catastrophe options, catastrophe futures, weather derivatives, contingent capital are financial products which contribute to the development of the real economy in terms of disaster prevention and reduction.

The effects of natural disasters on social and economic development include not only direct economic losses of the short-term development of society, but also the consumption of social resources which could be used originally in normal production, together with the indirect losses due to disaster prevention and mitigation, as well as material and mental compensation. In 2015, under the pressure of the downward real estate market, economic transition and government's determination to maintain steady growth and further promote reform, the negative effect of effective prevention of natural disasters on social and economic development has become even more important than before.

***2. Insurance mechanism is an important tool for international disaster mitigation and reduction.***

The losses caused by natural disasters include both adverse effects on personal safety or health and the loss of property security and economic wealth. As for the loss of personal safety caused by disasters, most countries and regions all over the world use social security system to manage this risk. But the methods to manage the risk and share the loss are different from government to government. Specifically, there are following ways: (1) the national government bear most of the losses caused by disasters, (2) part of the loss is shifted to an insurance company or other commercial enterprises, (3) the risk is taken by people and affected groups in the country (4) through the collective mutual aid method, the whole society help the affected areas on post disaster reconstruction. However, in general, the global insurance industry takes about 30% of natural disasters losses.

However, in property security and loss of wealth, the difference of risk sharing mechanism of different countries is quite large. Some countries compensate the loss of property caused by disasters by institutional arrangements, such as setting up supplementary fund or special post-disaster reconstruction fund, while other countries choose to transfer the responsibility to the society.

With rising disaster cost, many governments gradually strengthen their partnership and cooperation with all sectors of society, in order to find out a reimbursement and relief mechanism for disaster response and an effective channel for risk management. The most obvious trend is the cooperation between governments and insurance companies.

More and more countries provide mandatory or similar insurance arrangement to deal with the risk of common disasters. This kind of government action will ensure effective convergence of risk and reduce people's adverse selection, which is caused by moral hazard. Some countries provide reinsurance arrangements, special relief materials and state guarantees for their own insurance company. The government endorsements ensure the insurance companies' compensation capability and the credibility among policy holders. Some governments help insurance companies to achieve better and more effective risk management by legislation, such as legal provisions on disaster prevention and reduction, setting up evacuation plan, providing preferential tax for the purchase of insurance products and induce the geological risk assessment and construction permit in areas of high incidence of geological risk.

Although it is a common practice in most countries to introduce the insurance mechanism, the insurance depth on disaster, the coverage and actuarial condition are obviously different. This means there is no unified insurance mechanism model (which helps in the disaster prevention and reduction) for China to refer. It requires a comprehensive review for all the elements.

### ***3.The historical experience: innovation of insurance products for disaster response under financial background***

In 1960s, many multinational companies found that existing insurance types and premium rates cannot meet their changing insurance needs. Therefore, professional self-insured corporations emerged. In 1990s, the rise and popularization of integrated risk management gave birth to more risk financing and risk transfer products, such as limited risk products (financial reinsurance) and multi-type insurance cross several years. Later, innovative tools from this type of insurance company are collectively referred to as ART (alternative risk transfer), which includes almost all innovative risk financing and risk transfer mechanism except for traditional (re) insurance.

ART has been developing rapidly in the 90's. Disasters like Hurricane Hugo in 1989, Hurricane Andrew in 1992, North Ridge earthquake in 1994 and 1999 of Luther and Martin storm all have caused record-high losses in terms of number and severity, which brought great harm not only

to human society, but also the insurance industry, which bears the ultimate risk. In this case, (re) insurer turned to more flexible and cheaper way of risk transfer to ease its insufficient underwriting capacity pressure. The insurance market and capital market began to rapidly converging. Series of ART products, which linked to the capital market were developed. The main products include: captive, finite risk solutions, contingent capital, integrated multi-line products, integrated multi-trigger products, insurance securitization, insurance derivatives.

#### ***4. New financial instruments make miraculous contribution to disaster prevention and reduction***

In addition to insurance, which is known by all as an instrument which can help countries in terms of disaster prevention and mitigation, with the recent development of financial market and the challenges from natural disasters to human, many financial derivatives which can respond to losses and risks caused by natural disasters are introduced to the market, including catastrophe options, catastrophe futures and weather derivatives.

Catastrophe option is a kind of option contract based on the catastrophe loss index, and takes the loss limit of loss index of a certain catastrophe as its executing price. By paying option premium, financial enterprises can purchase the price option for underlying product in the future. Namely, financial enterprises can choose to exercise the option according to the contract or make transactions according to market price.

Catastrophe futures are based on a loss rate index. And in a specific time in the future, it will be delivered in cash. It is similar to futures and doesn't have options. Catastrophe bond transfers part of the risk of the insurance company to bond investors through connecting the revenue with the specified catastrophe losses. Both sides of the transaction use bonds: one party pays back the principal as the acquisition of bonds, the other party decides whether to pay and how much to pay the buyer in terms of the bond coupon and principal payment according to the situation and the loss degree of the catastrophe.

Weather derivative is a financial instrument. The change of payment depends on the underlying weather index. The weather index can be precipitation, air temperature, humidity, snowfall and any other weather variables. A variety of adverse weather changes will directly or indirectly increase the costs of enterprises or reduce their income, so as to reduce the enterprise's profit. Therefore, enterprises can use weather derivatives as

a risk management method to reduce the adverse effects of changes in the weather.

If the weather insurance is to deal with those rare but disastrous catastrophe, weather derivatives aim to hedge the risk caused by common weather phenomena. The principle of weather derivatives hedge the risk by meeting the special requirements among different industries, because the real economy in many industries are still dependent on the weather, such as the retail industry (especially cold weather when wool coat sells good), the energy industry (extreme climate leads to good enterprise performance) and agriculture (bad weather influence agricultural product yield and quality). Common weather derivatives include weather futures and weather options. The weather futures refer to the transaction that two parts agree to trade a specific good at a fixed price in a specific time in the future, such as common heating index (HDD) and cooling index (CDD) futures contracts. The weather option is a kind of weather index futures contract. The exchange has a series of different exercise prices, different end date of the option contract for the trader to choose.

Contingent capital is a kind of capital raised from issuance of equity securities, debt securities, hybrid securities when specific events occur and conditions are triggered, which are settled down in the contracts between the enterprises and finance agencies in advance. Capital includes contingent line of credit/LOC, contingent equity interests, contingent surplus notes, contingent committed long-term capital solutions and soon.

Although these tools in foreign countries have achieved good development, but contingent capital has greater advantage, through access to capital, the enterprises are able to cope with possible risk events, enhance the company strength in continuing operations, enhance the company's financial strength, improve the company's credit rating, receive timely capital (especially suitable during the period of the adverse economic environment), reduce equity holdings, improve the rate of return on capital. And the credit risk is relatively small, so is the risk of moral hazard and finally come to the objectives of uninsurable risk management. Therefore, contingent capital in foreign countries is used in a large number of entity enterprises, which contributes to the development of the real economy. The financial services industry can focus on learning and development of financial products.

*Translated by Chen Qingyun*

# Urban Governance and National Competitiveness: How can Shanghai Be a Modern Metropolis

Zhou Weilin & Yu Zhiqiang, School of Economics at Fudan University

## *1. Globalization has promoted the emergence of global cities.*

Since 1980s, the deepening globalization has caused geographical re-division of labor in economic activities, enabled the formation of new urban morphologies and functions, and made a batch of global cities. John Friedmann (1982) generalized the characteristic of world cities as: major financial hubs; headquarters of MNCs (including regional head offices); major traffic hubs; and large population size. Saskia Sassen (1991) proposed the global city theory, which is an improvement and development of the world city theory. Sassen defined global cities as those gathering places of MNC headquarters that can provide good services and communication facilities for the global economic operations and management of MNCs. Global cities have the following characteristics: a) highly-centralized world economic control center; b) major location of financial and special service industries; c) major places of leading industries including innovation; d) markets of products and innovation. Manuel Castells (1996) further proposed the “space of flows”, regarding a global city as the connection of a global network. Cities of different levels and functions build a network, which spread worldwide. Global cities are like the connections or centers of the “space of flow” (network), and their functions are just like the nerve center of new economy, where cities and companies must accept and get used to these relations rapidly and flexibly in such a network with complicated internal interactions. To a large degree, the changing relations in this network will decide the fate of the cities and citizens.

There has not yet been a well-recognized standard and definition of global cities in existing literature. Generally, global cities are modern metropolis with the capacity to distribute global economic, technological, information and cultural resources, the function of production and services on a global scale, and the engine power to set the trend of world development.

## *2. Urban governance and national competitiveness as well as the formation of global cities*

### Introduction>>

With the development of globalization, global cities start to appear in all over the world. Global cities can not only prove the capability of city governance, but are also closely related to the competitiveness of a nation. It is of great importance to discuss the approaches of making Shanghai be a global city.

The driving force of the formation of global cities is from the new geological division of labor on the international level. Apart from influence on international trade, MNCs' global distribution has also brought other new changes, such as vertical integration in organization forms, BTO (Build-To-Order) in production forms, and the extension of global industry chains, etc. In this process, new international division of labor has formed a new globalized network system. In this network system, all cities will redesign their economic structure and spatial distribution. Some cities will become the bases to accumulate and spread international capitals, and the director as well as coordinator to integrate global production and markets; meanwhile, the centralization of advanced communication technology in these cities is accompanied with the centralization of enterprise instructions and controlling functions. Therefore, the driving force of the birth of global cities stems from the combination of two strong economic power: producing activities, mainly in manufacture, continue to spread worldwide; the controlling of such producing activities enables service industries which serve such activities to flow and centralize in large cities. It is the decentralization of production and the centralization of controlling capacity that promotes the formation of global cities.

Right now, there have been some global cities, such as NYC, London and Tokyo. Through urban networks, they are wholly involved on different levels of regional, national and global economy. Through a high degree of regional communication and cooperation, global cities have completely integrated highly-developed capitals, information and human resources in the global economic system. These global cities have strong internal relations with their neighboring cities, which forms the so-called unique space-“global urban space”. If the definition of global cities is based on the external information exchange, then the definition of global urban space is based on the internal relations within the space. Many of the cities which connect with each other in the space should take part in the economic globalization. Though the organization and governance of space functions internally within the space, global urban space forms the effective and competitive leading space in global economy (and even politics and culture).

In the global urban network system, the value of city as a link lies in its correlation with the other links. The more its connections with the

other links, the more likely it will gain frequent flows of information and knowledge, and seize the opportunity of economic development through innovation in production, distribution and consumption. The level of flows, the frequency and the intensity between links decide their status in world economy. In the global urban network system, cities can be categorized according to their intensity and influence of connection with the world. “Global cities” have the most widely and intensive connectivity in the global urban network, so they are the center links, while the others are common links.

### ***3. The reality of the construction of Shanghai as a global city***

Since the 21st century, the transnational flow of global resources and elements continue to increase. World major countries and their major cities are competing fiercely for global resources. Under this circumstance, in March 2014, Shanghai municipal government issued “Guiding Opinions on Compiling a New Round of Shanghai’s Overall Urban Planning”. It pointed out that “on the base of establish ‘four centers’ and socialist modern metropolis, Shanghai should further develop itself into a global city with the allocation ability of global resources, strong international competitiveness and influence”. In this context, we should analyze the end of the goal to make Shanghai a “global city”. We should especially answer: what will be the difference in the source of urban governance and international competitiveness of Shanghai between that of other top world cities? If oriented to the distribution of global resources□ What challenges will the “global city strategy” of Shanghai face□

The “Globalization and World Cities” research group has ranked the connection level of global cities by the statistics of the distribution of advanced producing service enterprises in the global urban system. London and NYC have the highest level of connections, which are located at the top of global cities and lead the global production service industry. The rank of Shanghai has lifted, from 31 in 2000 to 6 in 2012, and even surpassed Tokyo, but still inferior to Hong Kong, Paris and Singapore. The status of Shanghai as a link in the global urban network based on advanced producing service industries has greatly elevated. However, the ranking shows that, the network connection of Shanghai in the service industry still has a long way to go compared to that of top global cities. According to the connection level in sub-industries, the connection level



of Shanghai's legal industry in only 46.0% of London, 57.9% of NYC; for consultancy, it is only 74.4% of London and 85.9% of NYC; as for IT service, it is merely 61.0% of London and 61.1% of NYC; other service industries such as banking, accounting, and advertising still have a large gap with London and NYC.

The obvious gap between the levels of urban connections in Shanghai and that in top global cities shows that, as a potential significant spatial carrier city, there is a structural gap for the link itself, but also the gap in intensity and width of connections caused by access, surveillance, standards and slow institutional reforms. Internally, Shanghai lacks absolute and relative scale of GDP, insufficient advanced producing service industries, few resources of MNC headquarters, relatively small financial market and scarce major actors in financial markets. Factors that influence the width and intensity of connections include backward domestic institutional frameworks in market access, division management and governmental services; inferior environment of legislation, nature, society and tax which cannot attract the flow of high-quality international elements; insufficient development of regional integration development and administrative division disable the domestic urban network to give full play to global competitive advantages; insufficient properties to export its resources outward.

#### ***4. Strategic recommendations for the construction of Shanghai as a global city***

The construction of Shanghai as a global city must be achieved mainly by the flow exchange of global network (flows such as information, knowledge, currencies and cultures). The core content is to expand its external relations to build Shanghai into a space of flows which functionally connects with the global economy and be fully integrated in the global network. However, the prime work is to strengthen the scale and quality of urban construction. Therefore, Shanghai should integrate the regional collective development, first accumulate and then increase the flows, and expand services abroad after serving the domestic needs.

Firstly, Shanghai should transform and upgrade its industry. The industry structure in Shanghai should be adjusted in the goal of production services as the main focus and urban manufacture as supplement. Shanghai should prioritize the high value-added and low-energy-consumption service

sector of urban industries and manufacturing enterprises. These industries and sectors have few demands for cities' space and environment, but need the support of talents and information in large cities. They help to achieve the high-end orientation of urban elements and promote the distribution of regional integration for manufacturers.

Secondly, Shanghai should depend on the Yangtze River Delta global urban space. The Yangtze River Delta has the advantage of taking over the transfers of international industry chains, and Shanghai's location has the advantage to carry on the producing service. Relying on the demand of producing services in the Delta, Shanghai can keep the primary ratio of the advanced producing service industry and continue to elevate its global status. Undoubtedly, without the support of regional development and the following center link status of service flows, there would be no status of global city for Shanghai. Shanghai will be in the transition stage from the center of China to the center city of the Asian Pacific area for a certain time. The delta is its basis to achieve integration and seek higher global status.

Thirdly, Shanghai should make use of both domestic and international networks. On one hand, Shanghai should gradually expand local enterprises, and meanwhile attract domestic listed companies, large private companies and SOEs to choose Shanghai as its head office, to strengthen the controlling capacity of local enterprises; Shanghai should strive to develop modern service industry, improve external production service level, and establish a multiple economic form guided by service economy. On the other hand, Shanghai should improve the joint of export-oriented economy and the global urban network outside the delta, and actively promote the construction of international trade and shipping center; Shanghai should seize the chance of the internationalization of RMB and the capital account reform to speed up the systematic and institutional construction of international financial market. Shanghai should create decent urban environment to attract MNC headquarters, strengthen the connections with domestic cities and areas, increase the communication opportunities with developed countries and areas, so as to elevate the status of Shanghai in the global urban network; Shanghai should take advantage of the cluster competitive advantage of local service industries to attract global production services to Shanghai.

*Translated by Chai Minqi*

# Advice on the Management of Government Wechat Accounts in Shanghai

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Government Wechat account has gradually become a new platform for government information publishing, government-citizen interaction, and public service. This report provides evaluation and analysis of the development and trend of government Wechat accounts in Shanghai as well as suggestions on its management.. The study sample of this report includes all public Wechat accounts created by all governmental agencies above district level and their subordinate public institutions, as well as public service sectors and utilities except for hospitals and education institutions. The sample size of the study is 202 accounts, among which 181 are subscription accounts, and 21 are service accounts. The data collection methods include foreground data fetching, background data retrieving, and self-reported information. The analysis method combines both quantitative and qualitative methods. This study not only ranks government Wechat accounts based on page views, but also analyzes different dimensions of government Wechat accounts, including the overall distribution, account management, publishing and interaction. It also evaluates the information inquiry and service function of service Wechat accounts.

## *1. Development and Trend*

### **(1) Overall Distribution**

Since 2013, the total number of government Wechat accounts has been rising steadily. The growth rate was high in the first half of 2014, and it entered a phase of solid growth after that. By the end of 2014, this report has included a total of 181 government Wechat subscription accounts and 21 service accounts. In the overall layout, the governmental Wechat accounts shows a trend of multi-level, multi-district, and multi-department development, which presents a multi-dimensional structure.

In terms of hierarchical distribution, district-level government Wechat accounts are the main component of subscription accounts, while the number of city-level and district-level service accounts are almost the

## Introduction>>

The development of government Wechat accounts is rapid in recent years. However, there are also some problems and space for improvement. Based on the study of 202 governmental Wechat accounts in Shanghai, this paper gives advice on the management of government Wechat accounts from five aspects.

same. Department accounts set up by a certain functional department of the government are more than integrated accounts established by tier-one governments. This report shows that government departments, which have created the largest number of Wechat accounts, are mainly in sectors such as public service, social governance, economy and technology, or culture, media and publicity, which can meet the demand of the citizens. In the distribution of the followers, the difference among various accounts is quite prominent, which implies a big room for improvement.

## **(2)Account Management**

Overall, the account management of government Wechat accounts in Shanghai needs to be improved. Most of the function introduction of Shanghai government Wechat accounts is written in sector-oriented language rather than user perspective. Most subscription and service accounts are authenticated, which can help citizens to search and identify these accounts. Customized menu is developed by most accounts, which can provide more targeted and independent information and service to users as well as also improve their experience. Most greetings sent to new followers are just simple reply, while number navigation and search guide, which are more convenient, are still lacking.

## **(3)Information Publish**

Due to the limitation on total published information in one month, service accounts are weak in information publishing. As a result, the statistical analysis on information publish here only focuses on 181 subscription accounts in the sample. At present, daily average page viewer number of subscription accounts are quite low, and the difference among different accounts is also quite large. Wechat accounts opened by departments responsible for public service, social governance, economic development and media, culture and publicity usually have higher page views. At present, the page view number is lower than the number of followers. By comparison, it is found that more accounts set up by one area or department does not lead to more page views, and the accounts with more followers also does not always have more page views. For the source of page views, the main channel is directly reading or reading in “moments”, while to forward in “moments” is an effective way to increase page views. Higher page views than the number of followers is an important sign of the quality of content and the effect of communication. For content

and form, the major part is service and government information, and activity promotion is in the second place. Almost all government Wechat accounts can provide messages with pictures, as well as other types of information such as video and audio, which will be helpful to improve users' reading experience.

However, there are still some government Wechat accounts which position themselves as a government publicity platform rather than a public service platform. So the publishing of content was mainly from the department's own perspective rather than the need of users. So, ideal follower attention and publicity effect can never be achieved.

#### **(4)Government-Citizen Interaction**

In the interaction between government Wechat accounts and their followers, there is a huge difference in the amount of messages received by different accounts. The gap between active accounts and inactive accounts is huge, and service accounts receive more messages from followers than subscription accounts. In terms of the way and speed of response, most accounts combine both automatic and manual response, either instantly or within the same day. However, some accounts just use simple auto response, which cannot solve users' practical problems. The way of interaction is quite diversified. Event registration, awards and gifts, as well as surveys and polls are the most common way of interaction. Besides, some government Wechat accounts also hold some online-to-offline activities to build closer government-public relationship. They may also carry out some crowdsourcing cooperation to motivate the public to cooperate with government in providing public service or social governance, thus improving public participation.

#### **(5)Online Service**

In this report, the analysis of service function is limited to service accounts in the samples. It is found that, currently, there are only a few of government Wechat accounts which can provide different services to different group of people based on their demands. It means that there is still space for improvement of the capability to provide differentiated service. In terms of information service, for information inquiry from users, most accounts still fail to provide simple auto response, enquiry and searching, or key-word-based response. For online service,

compared to the first half of 2014, more accounts have started to provide location-based service and progress enquiry and have developed online payment function from nothing. But some functions, including business handling, evaluation and complaint, are still quite weak. However, overall, only few government Wechat accounts in Shanghai can really provide online business handling, and most of online services are at the level of inquiry and appointment. Although breakthrough has been achieved in online payment, but the overall development is still slow. Online service provided by government Wechat accounts are still not at the core background level, and complete-process service has not been established yet. It is still very common that the government Wechat accounts pay a lot of attention to information while neglecting service.

## ***2. Advice on Management***

### **(1) Overall layout: from three-dimensional to associated pattern**

By now, Shanghai has already established a three-dimensional layout of government Wechat accounts characterized by multi-level, multi-district and multi-department. The growth of Wechat accounts is also steady. In this stage, the focus should not be simply on the number of accounts, but on the building of an associated and collaborative Shanghai government Wechat account group across different levels and boundaries of districts or departments. We should also avoid creating government Wechat accounts only for the growth of number, without consideration of level, region and department characteristics. Whether to open a government Wechat account should be based on the actual needs of users and departments.

For subscription accounts, the opening of many accounts in this type is helpful for government information publish, government-citizen interaction and government transparency. However, data analysis indicates that, more accounts do not necessarily bring more page views, which is not only determined by direct reading by followers, but also by the sharing and forwarding in “moments” and among friends. As a result, when encouraging different departments to open subscription Wechat accounts, focus should also be put on the promotion of association and collaboration among different accounts and on how to improve communicating effects by interaction and forwarding.

For service accounts, it is more important that the focus should not be

simply put on the increase of accounts, so that we can avoid making the same mistake of “multi-steps” service in this Wechat age, and therefore creating countless non-connected and fragmented “isolated island of Wechat”. Service accounts should be less but better, and association and integration among different accounts should be achieved. Different departments which overlap in their service targets and business functions should join to develop “service-themed” rather than “department-named” service account, from public need and beyond department boundaries, to provide one-step and seamless service on Wechat. Repeated building of Wechat accounts at different levels and in different regions should be avoided, while the interconnection and linking of service functions should be encouraged. Besides, the boundaries of government, enterprises and society should be further eliminated, so all parties can cooperate to provide service on Wechat.

### **(2)Account design: from department perspective to user perspective**

The function introduction, account authentication, customized menu and greetings for new followers of a government Wechat account are its first impression for users. The design and management of government Wechat accounts should be shifted from a department perspective to user perspective. Considering users’ need, the function introduction of the accounts should be simple and clear, which can tell users what information and service they can expect from this account, rather than merely describing its own attribution by itself. Government Wechat accounts should be encouraged to develop customized menu to make it easier for users to inquire information and get service, so as to improve their experience. With stronger service attribution, service accounts should especially develop customized menu. Greetings sent to new followers should better include number navigation or search guide rather than useless empty talks, which can help users find the information or service they need more quickly.

### **(3)Information publish: from output to effect**

It is also found in this report that there is a huge difference among page views of different government Wechat accounts. And most of the page views are concentrated in a small proportion of all accounts. Therefore, the potential of accounts on the “long tail” should be specially tapped. They should be positioned differently from the big accounts on the “head”,

aiming at providing personalized information for a certain level, a certain region and a certain group of people, so as to meet specific need which big and influential accounts cannot meet.

The analysis also shows that the number of followers and posts will not generate page views automatically, and the page views of information published by government Wechat accounts are generally less than the number of their followers. So, the focus of information publish of government Wechat accounts should be shifted from quantity to quality, and from superficial output data to practical effect data. Government Wechat accounts should focus more on the quality and attractiveness of the information published by them, and on how to provide more practical or interesting information to users. For the form of information, under the current trend of picture-reading and video-reading, various forms such as image-text, video and audio should be combined, in order to be intriguing and interesting. Currently, the page views of government Wechat accounts mainly come from direct reading and forward in “moments”. Only the information that is useful, interesting and individualized will be forwarded by a lot of users, so that the depth and breadth of information spreading will be enhanced.

#### **(4)Government-citizen interaction: from Q&A to activity**

The feature of privacy of Wechat is conducive to carry out equal and two-way point-to-point interaction. However, most of the message activities are concentrated in few influential Wechat accounts. Most accounts fail to achieve equal interaction with the public, so it is important to improve the capability and effect of interaction of these government Wechat accounts on the “long tail”. In the form of response, keyword-based auto reply is applicable to simple, general and common questions, while manual reply is more appropriate for complex, personalized and rare questions. The response should be quick and timely, within one day or at most two days. In the way of response, manual and auto response can be combined, so that not only response can be provided timely, but there will still be enough buffer time for background to process the messages. This gives consideration to both user experience as well as government response capability. The interaction should be focused on the real effect, which means its ability to solve people’s real problems, instead of merely nominal interaction.



More importantly, in addition to the primary Q&A style of interaction, the interaction on Wechat should be expanded from messages to activities. Through the use of different forms of activities, such as event registration, awards and gifts, polls and surveys, funny games, off-line activities, community building and crowdsourcing cooperation, the government and the public will be connected more closely. And “one-to-one”, “one-to-many” and “many-to-many” types of online and offline interactions can be achieved.

#### **(5)Online service: from inquiry to business handling**

Government Wechat accounts can provide demand-based information inquiry service to the public by classifying different groups of people. Other functions such as keyword-based auto response, querying and indexing can also improve convenience and users’ experience during information inquiring. However, by providing information inquiring service, government Wechat accounts can only inform the public of how to do something instead of helping the public to get something done. So government Wechat accounts should take full advantage of service accounts and transfer some functions such as location-based service, appointment and preview, business handling, online payment, progress enquiry and evaluation and complaints to mobile platform. By doing so, a closed-loop type of Wechat service which covers the entire procedures will be realized. It will enable the public to get the service provided by government anytime and anywhere. It will also provide concrete benefits for people’s life and work.

During the management process of Wechat-based service, it is not enough to just “Wechatize” existing models and process, which means transferring the existing process to Wechat without any difference. It is more important to realize the mode transformation, process reconstruction and system and mechanism innovation in the Wechat environment. Mobile internet has deeply changed people’ work and life style, and the modes and process formed under outdated technical condition are now no longer reasonable or even necessary in the new technical environment. As a result, the modes and process should be optimized and transformed on the Wechat platform, rather than simply being copied.

*Translated by Qian Jing*

# Public Health Security and Sustainable Urban Development

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A city is a place with high concentration of population, industry and fortune. It is the most centralized and active core region of modern social economy, and also the major site of modern life and production. Its rapid development, however, is accompanied by unprecedented challenges on urban security. The increasing frequency and intensity of natural disasters, various public health emergencies and the threat of bioterrorism, all call for an enhanced capacity of cities on preventing and dealing with public health emergencies.

The rising status of cities also puts forward increasing demands day by day on urban public health security, and cities are facing higher pressure as they are confronted with all kinds of emergencies. Incidents like Tokyo subway sarin attack in 1995, 9·11 attack in 2001, the SARS outbreak in China and other places in 2003, the London Bombings in 2005, and Ebola outbreak in four West African countries in 2014, remind people that we are in the a period of frequent public health emergencies, in which the outbreak of public health emergency is almost inevitable. It is particularly important to pay attention to urban public security and to conduct strategic research on the disposal of public health emergency under the fast urban development.

Apart from natural disasters such as earthquake and tsunami, urban public security is influenced by various factors of politics, economics, culture and society. Those megacities with tens of millions of population, especially for cities like Shanghai with large population, high population density, large amount of skyscrapers and complexity in industrial structure and huge capacity, are bound to face higher pressure and challenges in managing the security of social order, public health, fire control, elevator, urban traffic, energy, hazardous chemicals and terrorist. This paper focuses on the relationship between public health security and urban sustainable development.

## *1. Urban Public Security and Public Security System*

### Introduction>>

The continuous development of cities is accompanied by an increasing number of problems, especially in public health security. This paper discusses the urban public security and its system, as well as the relation between urban public health security and sustainable development. It also analyzes the main problems of urban health system in our country, and gives some suggestions on speeding up the construction of urban health system.

## **1)Urban public security and its managing scope**

Urban security refers to the dynamic stability of cities in ecological environment, economy, society, culture, public health and resource supply, and the capability in resisting urban disasters. Urban security is the prerequisite for sustainable urban development. There will be no sustainable development for cities without the stability and security of economy, society and ecological environment.

Public emergencies are those unexpected events that happen suddenly, causing or probably causing mass casualty, property loss, ecological environment damage and serious social harm. Based on the difference in its process, feature and mechanism, public emergencies can be classified into four categories, including natural disaster, accident, public health incident and social security incident. Public emergencies include events like climate calamity and compound natural disasters, fire, poisonous gas leak, nuclear leakage, traffic accident, epidemic outbreak, explosion, murder, etc.

The scope of urban public security management is mainly concentrated in four aspects, including production safety, public safety, food safety and public health safety.

## **2)Urban public security system**

Urban public security system mainly consists of two sub-systems. One is daily management system processing daily accidental urban security problems. Another is crisis management system primarily responding to emergencies and relevant public security events. Only based on the organic combination of routine and crisis management system can a comprehensive system ensuring urban security be set up.

### **a)Daily management system**

Daily management system is an organic unity composed of organization management, dangerous source control, target monitoring, educational training, and rescue guarantee. It prevents and resolves public security incidents by combining actions of government department, related social organization and citizens before public security incidents happen.

### **b)Crisis management system**

Crisis management system is a term referring to a series of actions that transfer from daily management system (including emergency response, rescue, recovery and etc.). This system includes emergency command system, information publishing platform, emergency rescue team and aftermath disposal, etc.

## ***2. Urban public health security and sustainable development of the city***

### **1) Public health emergency**

With the development of our economy and society, and the expansion of the average activity space of citizens, the aggregation and mobility of citizens are increasing rapidly. The changing form of the social activity leads to the boost of urban economic development and society. But from the perspective of public health, it may lead to problems related to epidemics. The outbreak of epidemics is more likely to happen and its spread has become easier, especially in cities with high population mobility and density.

Public health emergency refers to accidents like major harmful epidemics, mass illness with unknown reason, food poisoning or other events that may seriously damage public health. Emergency happens precipitately and is hard to predict; it has the attribute of public health that aims at no specific individual but indefinite society. Usually its damage and influence should achieve a certain degree that cause or, according to the trend, may cause great harm to public health. In the urban area, high population density and a large size of floating population lead to the noticeable features of public health emergency that happens in the city, including wide range, great loss, social panic, and direct relation with illegal activities, operation violations and weak responsibilities. Currently, global public health emergencies show characteristics of large scale, great loss, extensive effect, high degree of attention, complex origins and constant emergence of new epidemics.

### **2) The relation between urban public security and sustainable development**

A city is a highly intensive community in which every composing parts are connected closely and influence each other. To support a stable and healthy socio-economic development of cities, we must correctly handle the relationship between human and nature, ensure the urban public

safety, and provide qualified resource and environment.

**a)Urban public security is the premise of sustainable development**

With the increasingly prominent problem of global population, resource and environment, urban sustainable development has become a global-concerned issue. A city, a place with high density of population, is the most common place for economic, cultural and political activities, and the place that natural eco-environment has been damaged seriously. The core of sustainable development is to coordinate the relationship among human, nature and resource, to ease the conflicts among them, to reduce the negative effect of natural environment to human and to meet the contemporary demand without damaging interests of the offspring.

**b)Urban public health incident closely relates to urban development**

Cities have high population density, crowded popular and frequent population mobilization. Once an epidemic break out, it is extremely easy to fast spread in the crowd. The extension of modern transportation promotes the speed and scope of population flow, which results in the epidemic reaching every corner and causes enormous social impact and economic loss.

With the booming of petroleum and mining industry, large quantities of toxic and harmful chemicals and pesticides have been synthesized and produced. China is the major country of chemical production, use, import, export and consumption. The acceleration of urban industrialization to some extent makes the toxic and harmful chemicals and pesticides flow into the city through various channels, which increases the potential risk of public health emergencies.

A city is the center for social production where information spreads fast and all sorts of social life are closely connected. In the event of public health emergencies, the social life order will be directly or indirectly affected in a short time, causing an imponderable economic loss. If it cannot be intervened or controlled effectively, public health emergencies will even cause the social crisis or political unrest.

**c)Food safety benefits people and affects the urban economy and development**

Food safety involves the vital interests of common people. Cities have

high population density and large daily consumption of food, most of which supplied by regional market. If the food safety in the market cannot be guaranteed under information asymmetry between the sellers and buyers, it is very likely for citizens to buy inferior and unsafe food, which will poses a big threat to their life and property. In addition, as food forms a major part of daily consumption, its quality and safety is conducive to the implementation of economic policy for boosting domestic demand and promoting consumption. Therefore, the guarantee of food quality and safety not only relates to the development of food industry itself, but also affects the sustainable development of urban economy. Food industry has become the pillar industry in many cities and consequently its development is of great importance to the sustainable development of urban economy. So, the production and processing of food must be people-oriented and the food quality and safety should be ensured.

**d) Establishment of urban public security system is the urgent requirement of urban sustainable development**

The SARS outbreak in 2003 exerted an unprecedented impact on our society and educated citizens about the urgency of establishing public security system and the fragility of modern cities. Urban crisis can occur at any time and emergency could quickly become a disaster. To reduce the risk of urban development and strengthen the ability to weather crisis, we must reevaluate our public security policy, build the crisis management mechanism and improve the crisis management ability of our government.

***3. Response to urban public health security incident***

Urban public health security incident directly relates to public health, economic development, and social stability. It has become a heated topic of society. The ability of preventing and controlling the incident has become an important benchmark for evaluating government performance and social development. Effective response system to urban public health security incident is the key to ensure quick reaction, right decision, decisive processing in the event of public health emergencies. The responses should protect the health condition of citizens, economic development, social stability and national security.

**1) Main problems of the city public health system in China**

The improvement of our public health system has got significant

achievements after SARS, but its development is still left behind comparing with the socio-economic development in other aspect. The gap between the capacity of health service system and the increasing health needs from citizens is prominent, especially for megacities with large population and aging problem like Shanghai.

Firstly, the public health system is incomplete and cannot handle the task of critical disease prevention and control. The principal target of public health system in our country is prevention. Prevention and control of diseases are the primary task of health work.

Secondly, the mechanism to deal with public health emergency is also incomplete. The happening of emergent public health incidents, like epidemic outbreak, sudden natural disasters, severe accidents about production safety, as well as the food poisoning or occupational poisoning, require the establishment and improvement of mechanism to handle urban public health emergency and the enhancement of the ability to deal with public health security crisis.

Thirdly, the urban medical service system cannot meet the health demand of the citizens, and there is no complete solution for the difficulty and high cost of medical service. Although urban medical service system in China has made great progress in recent years, it still needs further development to satisfy the health needs of the citizens.

Fourthly, the urban medical and health management system does not adapt to the health demands of the citizens. Medical and health resources of many cities are managed by different departments, industries and enterprises, so it is difficult for health sector to implement effective supervision.

## **2)The specific measures to expedite the establishment of urban health system**

Firstly, we should strengthen the construction of the infrastructure for urban public health institutions and perfect the safeguard mechanism of public health services. The construction of the infrastructure for urban public health system is the foundation of the public health system. The government should establish a stable mechanism of investment and growth and gradually increase the proportion of public health investment in the total health expenses.

Secondly, measures should be taken to improve the emergency response mechanism of public health incidents and to strengthen health emergency safeguard. After SARS, in accordance with requirements of Regulation for Emergency in Public Health Events, many cities in our country successively set up processing and coordination agency for health emergency, which specifies the duty, formulates rules and regulations, organizes and coordinates, as well as standardizes work procedures for emergency handling. On this basis, it is necessary to improve the mechanism for urban medical and health emergency material reserve, safeguard and training, and guarantee resource dispatch system for public emergency.

Thirdly, more efforts should be made to strengthen the ability to prevent and control major epidemics, including HIV/AIDS, viral hepatitis, tuberculosis and other major infectious diseases in cities.

Fourthly, the emergency network should be improved. Government should set up and consummate the urban public health clinical center and command center for infectious disease treatment. These centers should be connected with city emergency command center and achieve the following goals: the ontological management of monitoring, predicting and treating emergent epidemics, and improving the capacity of epidemics control and response.

Fifthly, more policies should be introduced to deepen the reform of urban medical system, strengthen the management of hospital, and improve the quality of medical service. Progress has been made in the reform of urban medical service system since the healthcare reform in 2009, but the overall effect is not obvious. Many prominent contradictions and problems still exists, such as the problems in public hospital operation mechanism that results in incomplete achievement of the public welfare; difficulties for the entrance and the development of social capitals in the field of health service; the weakness of the supervision of medical services, the tardiness of the development of community health service, and the difficulty and high cost of medical treatment.

Sixthly, in those megalopolis with high degree of aging like Shanghai, as a response to the urgent needs of the medical and health services and accessibility of health care from the elders, more efforts should be made to increase the fiscal support for community health service and for the



perfection of existing system and the expansion of the coverage of health care.

Against the background of rapid globalization, we must consider urban safety problems from a global perspective: the happening and spreading of and response to the crisis should be dealt with on a global scale. With the globalization of economic and social activities, the Chinese economy is increasingly integrated into the world economy, and connections with foreign economy become closer under a more open environment. As the bellwether and the experimental area for the reform and opening up of China, Shanghai is standing at a new starting point. Shanghai is also a hotspot for global economic and cultural exchange and an important gateway for the foreign development of China, so the stability, safety and the sustainable development of Shanghai is particularly important. The rapid development of foreign trade increases the pressure on port health, and consequently demands the strengthening of the monitor and the prevention of infectious diseases incoming, which is a new challenge for Shanghai as the city is integrated deeply into economic globalization. The prevention of the spreading of epidemic outbreak is another burden for Shanghai as an international metropolis and port. Meanwhile, with the economic takeoff, the growing population density of Shanghai provides a good condition for the spreading of infectious diseases. The aging of urban population also brings new problems and challenges for urban development and health service system.

In a broader sense, urban public security includes the psychological security caused by the increasing income inequality and employment pressure, the intensified social conflicts, and the deterioration of public security and other social security crisis. The transition of age structure also causes conflicts between different age groups in sharing the fruits of social development.

In sum, urban development is a sign of social advancement. And urban security is the cornerstone of urban development. The improvement of urban public safety coefficient not only depends on subjective efforts and reasonable decision made by city managers, but also on the cultivation of the public consciousness and public collaboration on safety, the sustainable production and lifestyle, and the fairness of social institutions.

*Translated by Zheng Lulu*

# The Use of Modern Information Technology and Model Innovation in Collective Social Governance of Food Safety

Tan Hong, Guizhou Academy of Sciences

## *Current situation:*

On March 1<sup>st</sup> 2014, Sina, Tencent and Sohu simultaneously released the documentary “GMO Report: Cui Yongyuan’s Documentary on U.S. GMOs”. It was directed by Cui Yongyuan and attracted lots of plenty of clicks and reposts online. Apart from the controversy over the scientificity and stringency of this documentary, there has been argument between “pro-GMO” netizens and “anti-GMO” netizens. Food safety has long been the focus and hot issues for public concerns. Using “food safety” as the key word in Baidu, one can find 37,700,000 results and 336,100 related articles. Premier Li Keqiang strengthened in the 2014 “Report on the Work of the Government” that “we will institute a monitoring mechanism with full public participation which oversees the whole process from production and processing to distribution and consumption and can trace problems to the source. “We will improve safety monitoring systems for food and drugs with the involvement of both central and local governments and the participation of community bodies. We will strictly follow laws and regulations and comply with standards, and apply the strictest possible oversight, punishment and accountability to prevent and control food contamination and ensure that every bite of food we eat is safe”. It has only been several decades that our nation has shifted from seeking to solve the problem of food and clothing, to basic solution of this problem and pursuing to eat well. The outbreak of food safety problems is not just because of the conflicts between population and resources, but also conflicts between traditional industrial model and technological advances. Apart from legislations and ethics, it is vital to make use of modern information technology and make innovations in the collective social governance of food safety.

Currently, China’s collective social governance of food safety still face the following conflicts. From the perspective of China’s current historic stage, the conflicts between the rapid development of agriculture and

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Food security has gradually become one of the most important social problems in China and is closely related to people’s health. With the use of modern information technology, collective social governance can be achieved, which will effectively solve this problem.

food processing industry and backward social productivity has caused the outbreak of food safety problems. Enterprises and the public lack the knowledge of food safety problems, and this has also caused conflicts. The advanced way of promulgating food safety news and the backward way of food safety knowledge popularization have caused conflicts. Thirdly, the sensitivity and sensational effects of food safety problems have exerted a very negative effect on the food industry. This leads to local protectionism, which conflicts with the wide spread of food safety problems and public demands for food supervision; fourthly, the administration occupies the information of food safety, while the public urgently demands transparency. In recent years, China has promulgated the food safety law and underscores that health administrations under the State Council should undertake the integrated coordination responsibility of food safety and take charge of information publication on food safety. China establishes the unified mechanism for food safety information. Health administrations of related provinces, autonomous regions and municipalities should publish information. Administrations of agriculture, quality supervision, business management and food and drugs supervision above the county level should publish daily supervision information on food safety according to their own responsibilities. The new version of the food safety law supplements the risk information exchange mechanism. The new law makes it clear that the governments above county level should integrate resources such as food safety inspection and information to achieve resource sharing. Meanwhile, any organization or individual has the right to report acts in food processing and operations against this law, and the right to get access to food safety information from relevant departments. China encourages food processing enterprises adopt information means to establish a food traceability system. The whole process of generation, publishing and spreading for food safety information should be transparent to the public. With the aid of modern information technology and the spread of “positive energy” information, the government, enterprises and customers can be integrated. This can form the widely spreading mechanism on good-quality and qualified food. With the law of the market, there forms the “good money drives out bad one” mode of collective social governance of food safety.

In the “Internet+” time, making use of modern information technology to achieve scientific awareness and risk exchange on food safety is not

merely the objective needs to solve food safety problems. Technologies, such as big data and cloud computing, also help to give birth to new business models and construct the innovation model in collective social governance of food safety.

To achieve collective social governance of food safety, we must solve the problem of scientific awareness and risk exchange. Generally, China lacks the ability to cope with this problem. At the legislation level, despite the risk information exchange mechanism, the lack of public scientific knowledge has not been taken into consideration. At the level of ideological understanding, the phenomenon of “covering the truth” is prevalent, and the government fears disclosing the truth. To protect local SMEs, local governments are unwilling to tackle the problem of food safety information exchange seriously, and they are also unaware of the benefits that positive publicity and direction of food safety problems would bring to the development of industries. At the technological level, the current food safety scientific knowledge and risk exchange has not made good use of modern information technologies, such as cloud computing and big data, to conduct targeted publicity and provide personalized services. Food safety knowledge and risk exchange have not yet really mobilized customers and inspection organizations. To a great extent, it merely relies on the government and food industry, which makes it difficult to form the collective social governance model of food safety. Therefore, it is practically significant and urgent to widely spread “positive-energy” information and establish the model of collective social governance by virtue of modern information technology.

***Policy Recommendations:***

From the developing trend of food safety problems, these problems will prevail for a long time. Firstly, factors such as microbes and heavy metals are the essential elements affecting food safety. They prevail in the environment we live, which causes the long-term existence and widely spread of food safety problems. Moreover, with the advances in scientific technology, people will continue to find new chemicals that have negative effects on human health and more new food safety problems. Thirdly, from the perspective of China’s economic and cultural development, with the improvement of people’s standard of living, people will be increasingly concerned with health and their sensitivity

to food safety will continue to increase. Fourthly, the accumulation of environmental pollution will continue to affect food safety problems. For the time being, China is making structural change and adjustment to food safety management. Some parts of China attempt to use modern information technology to establish the collective social governance model of food safety, in which the government monitors, enterprises discipline themselves, customers participate, and the media supervise. For instance, “food safety cloud” in Guizhou province initially forms the model innovation in collective social governance of food safety. By virtue of modern information technology, we can construct the collective social governance model of food safety in the following ways:

Firstly, on the legislation level, enterprises, the media and customers should be encouraged to spread positive information on food safety. The government should decide the regulations, standards and technological codes of the formation, spread and management of information. According to the support of rigorous and professional data and information, such as tests and inspections, the government should encourage the use of modern information technology, the broad participation in governance, and the market mechanism in favor of the rapid development of high-quality and qualified food industry. With the aid of administrative supervision and management, collective social governance model will eventually be formed.

Secondly, at the technological level, in the “Internet” project, the government should encourage the use of technologies such as the Internet of Things, cloud computing and big data and the analysis of the effect of the whole industry chain on food safety “from farmland to dinner table”. Inspection and testing by digital instruments should be pointedly distributed, sensors should be utilized to collect key indicating data, and information management system should be developed. This will lead to big data, which can process data mining, distribute cloud application, and establish the platform of food safety information and knowledge service. This will not only form the innovation model of collective social governance of food safety, but also modern service industry such as the big data industry as well as inspection and testing industry.

Thirdly, at the level of administrative management, the government now has the largest data regarding food safety. The government should use

the data by the category of public cloud, private cloud and compound cloud, manage the data by the confidential, sensitive and public category, construct the system by the basic, intermediate, and application category, encourage the open use of data, activate data resources and form multiple cloud applications, and support the enhancement of modern governance capacity.

Fourthly, in terms of the development of food industry, the government should encourage technological innovation, make use of modern information technology such as big data, reconstruct the product designing, producing, logistics and trading system, enhance the industry efficiency and level of service, and achieve the new model of Internet food industry.

Fifthly, at the level of social awareness and risk exchange, the government should enhance the food safety knowledge popularization, adopt new media, spread food safety knowledge according, enhance the level of public knowledge, guide the spread of positive energy, set the trend of producers and customers both doing good, and create healthy industrial ecology by way of personalized service and interactive communication.

Sixthly, at the level of collective social governance of food safety, the government should encourage all levels of society to take their part in collective social governance to form the modern model of collective social governance of food safety, in which the government monitors, enterprises discipline themselves, customers participate, and the media supervises.

*Translated by Chai Minqi*

# Security Governance: China and the United Nations

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China, as an Asian country, especially as one of the five permanent member states of United Nations Security Council, has long maintained relatively high-speed economic growth and consistent political stand in global politics since the Second World War. And it is continuously contributing to the peace and stability of the world. At the same time, considering the limit of the capability of one single country, Asian countries, as well as regional organizations including ASEAN and Shanghai Cooperation Organization, are strengthening their cooperation and participating actively in UN peacekeeping operations, which constitutes an “Asian Pillar” for UN peacekeeping operations and makes vital contribution to global security governance.

## *1. Contribution of Asian Countries in Peacekeeping Operations*

**Firstly, Asian countries have contributed most personnel to UN peacekeeping operations.** In December 2014, UN peacekeeping force had about 104 thousand people. Among them, 9400 are from Bangladesh, 8139 from India, 7936 from Pakistan, 5089 from Nepal, and 2181 from China. These five countries contributed more than 32,000 people to the force, accounting for around 32% of the whole UN peacekeeping force. In January 2015, among 18 peacekeeping operations led by the United Nations, China sent 2,222 peacekeeping soldiers and police in 10 operations, which ranked at the top among five permanent members in UNSC. As regard to regional organizations, ASEAN has contributed more than 2,000 people to UN peacekeeping force. Despite the scale difference and personnel overlaps, the contribution of CICA and SCO is not calculated. Considering the membership of countries mentioned above in these organizations, their contribution is still quite phenomenal.

**Secondly, Asian countries’ funding to UN peacekeeping operations is also rising.** The funding from Asian countries to UN peacekeeping operations can be studied from two aspects. On the one hand, every country has to bear some domestic cost when sending personnel to UN peacekeeping force, so the domestic cost of Asian countries is higher

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Asian countries are gradually becoming an important part of UN peacekeeping operations, and have made huge contributions to it. However, at the same time, Western countries doubt and criticize the contribution made by Asian countries. Therefore, countries in Asia should cooperate with each other in global security governance, and try to build an “Asia Module” for international peacekeeping.

as they send most personnel. On the other hand, with the economic development of China and India, the assessed contribution from China and India to UN peacekeeping operations is also rising steadily. For example, in 2005, China shared a little bit more than 2% of all the assessed contribution to UN peacekeeping operations. Meanwhile, during 2013-2015, China has shared 6.64% of all the assessed contribution, about 500 million US dollars. As for the proportion, China ranks 6th among all UN members and 1st among the developing countries.

**Thirdly, Asian countries are participating in all kinds of peacekeeping operations led by the United Nations in a more active and comprehensive way.** First of all, Asian countries adopted a more positive attitude towards UNSC resolutions based on the 7th chapter of the UN Charter. Take China as an example, from 1990 to 2000, China supported 63 and abstained 19 resolutions of this kind passed by UNSC, the rate of abstention was 23%. While from 2001 to 2012, among 278 such resolutions passed by UNSC, China voted for 268 and only abstained 7 times, and the rate of abstention decreased to only 2.5%. Next, despite the adherence to the principle of non-interference to others' internal affairs and the advocate for solving international and domestic disputes in a peaceful way, both China and ASEAN countries have realized that, in global security governance, the international community should use sanction and military intervention to promote the resolution of disputes if these disputes cannot be solved in peaceful ways and relevant national governments fail to bear their responsibility. Especially after 2000, with the shift of the nature of conflicts from international conflict to domestic conflict, and from traditional military conflict to social conflict, the mission of UN peacekeeping operations has also been shifted to solving domestic conflicts. The troops deployed are mainly multi-functional comprehensive mission, whose authorization has been expanded rapidly from purely "peacekeeping" to "conflict prevention" and "post-conflict peacemaking". As a result, China and the ASEAN members all generally support UN's definition of "the responsibility to protect" in 2005.

Thirdly, Asian countries adopt a positive attitude towards the evolution of the mission of UN peacekeeping operations, and participate in different peacekeeping operations authorized by but not necessarily directly led by the United Nations, on the premise that the three principles of UN peacekeeping are followed. For instance, since 2008 when UN authorized



its member countries to deploy anti-piracy naval fleets to protect civilian merchant vessels in the Gulf of Aden, China had sent naval forces to the Gulf of Aden for 5 consecutive years, making great contribution to international cooperation on anti-piracy operations. Operation in the Gulf of Aden was the first peacekeeping operation China participated which was authorized but not led by the United Nations. For another example, China has already sent escort naval fleets to the international fleet shipping and destroying Libyan chemical weapons. Also, China participated for the first time in a new peacekeeping operation authorized by UN in the Mediterranean area.

**Fourthly, Asian countries have also strengthened their cooperation on peacekeeping and experience exchange.** This is mainly reflected in three different aspects: pushing decision-making of UN peacekeeping operations, promoting host country's cooperation in peacekeeping operation, and strengthening exchange of experience among Asian countries. For example, China once held a seminar on peacekeeping with the ASEAN, and China has established the Peacekeeping Center in the Ministry of National Defence and a training center for the Chinese peacekeeping civilian police, etc. These cooperation and communication not only promote the special support of Asian countries to peacekeeping operations in Africa, but also strengthen Asian countries' consensus on issues such as the interaction of peacekeeping operations and protection of oversea interests, the correlation between peacekeeping operations and post-conflict reconstruction of host country, as well as enhance the cooperation of Asian countries on peacekeeping capacity building, such as joint training of peacekeeping personnel.

## ***2. Challenges Facing Asian Countries in Peacekeeping Operations***

**Firstly, Asian countries are facing a dilemma when participating UN peacekeeping operations.** Their achievements are usually deliberately ignored, while they are always questioned whether they have special interest and concern, and whether their participation is to develop a special peacekeeping model. For example, although both India and Pakistan are major personnel contributors to the peacekeeping force, Western countries always consider it as the competition for international influence between these two countries instead of contribution to UN peacekeeping operations. For another example, Bangladesh and Nepal contribute a lot

of peacekeeping personnel, but it is usually interpreted as a mercenary-style benefit-chasing behavior. And the active participation of China is considered as an effort either to change the international peacekeeping model, or to protect China's special interests, such as China's involvement in peacekeeping operations in Liberia (related to the Taiwan problem), Sudan, and South Sudan(oil interest), etc. Western countries doubt China's increasing active role in UN peacekeeping operations, and by questioning and inducing, leave the world a false impression that China is developing a special peacekeeping model which will damage UN peace operations as a whole. The West always relates China's active participation in UN peacekeeping operations with the possibility that China may abandon the principle of non-interference in others' internal affairs, and then leave others a false impression that China's participation in peacekeeping equals to foreign intervention.

**Secondly, Western countries tend to shape an unreasonably high expectation of Asian countries' participation in peacekeeping.** Due to the deliberate shaping of Western countries, the international community forms two type of "expectation dilemma" about Asian countries' participation in peacekeeping. On the one hand, the West criticizes Asian countries for their consideration for special interests and the intention to develop a unique model during peacekeeping operation. On the other hand, they ask Asian countries to contribute more personnel and funding by these reasons. Secondly, while the West is criticizing Asian countries for their conservative ideas, they continuously constrain and confine Asian countries' participation in peacekeeping by new ideas, especially those related to peace making, post-conflict reconstruction, security department reform, disarmament, demobilization, and reintegration (DDR), and control of small and light arms.

### ***3. Policy Advice***

The United Nations is facing a very difficult task of security governance. Targeting public interest of a peaceful and stable international environment, Asian countries, including China, are working hard to participate in international security governance in a fair and active way, and playing an increasingly positive role in security governance of UN. For sure, such function will be further expanded in the future. Asian countries, especially China, should focus on building an "Asian module" of UN

peacekeeping, breaking through two types of “expectation dilemma” and trying to realize three types of balance.

**Firstly, the guiding principles for Asian countries to participate in peacekeeping should be further defined, in order to realize the balance between the three principles of UN peacekeeping operations and special actions in specific peacekeeping operations.**

1) For the criticism from the West about Asian countries’ special interest, special model and laggard ideas, **Asian countries should stick to the guiding role of the three principles of UN peacekeeping operations in all peacekeeping operations**, and emphasize that the participation of Asian countries in peacekeeping is a collective action of UN rather than the action of any single country. China, together with India and ASEAN countries, believe that the power boundary of UNSC should be held strictly, and they should use enforcement tools or military intervention very cautiously, and oppose the behavior of great powers to use UNSC as an instrument to promote their own interests. To maintain UNSC’s power boundary is to prevent the securitization of non-security issues, which may make UNSC go beyond its power authorized by the UN Charter, and intervene in the jurisdiction of other UN agencies. For example, China used its veto power on the resolution about internal affairs in Burma and Zimbabwe.

2) The leading role of UNSC in peacekeeping operations should be strengthened, and **China should resist and never participate in any military actions in the name of “volunteer alliance”**. China, India and ASEAN countries all believe that, military means is the last resort to resolve conflicts, and they oppose rushing into military intervention without using all possible diplomatic means or when intervention will intensify the situation and cause greater humanitarian disaster. For example, China opposed to military actions in Syria based on these reasons in 2012 and 2013. By using its veto power in UNSC, China prevented external military intervention in the civil war in Syria. And, by participating in diplomatic resolution, China and other countries helped to bring about the diplomatic contract to destroy chemical weapons in Syria and pushed the political resolution of the Syria issue.

**3) Analyze comparative advantages of different parties in peacekeeping operations, and adopt differentiated arrangement of**

**comparative advantages during specific peacekeeping operation,** in order to meet the need of different situations. China also emphasizes dialogue and political resolution in security governance. Only through political means will there be an enduring and balanced resolution for the conflict, and peace and stability will be sustainable. Of course, China now also doesn't reject sanctions or military intervention. China has already built up its own foreign sanction system during the implementation of the past UNSC resolutions. For example, in 2013, in order to implement UNSC's resolution to sanction North Korea, China issued a 200-page catalogue of goods which are prohibited to be exported to North Korea. Besides, with the improvement of China's capability of long-distance delivery, the enablement of the Beidou navigation system, and the accumulation of peacekeeping experience, China will have greater military capability to participate in peacekeeping operations authorized or led by the United Nations.

**Secondly, further strengthen the building of Asian countries' peacekeeping capability, and realize the balance between the enhancement of UN peacekeeping capability and the construction of the Asian Module.**

1) Enhance the Asian countries' contribution to the development of UN peacekeeping ideas, move UN peacekeeping forward to meet new demands when international conflicts become domestic, social conflicts become violent, and security conflicts become developmental, and advocate a new peacekeeping idea and method which is beneficial to host country's sustainable social and economic development and the resolution of the cause of conflict. With the improvement of China's capacity building, China is expected to play a greater role in international security governance. China's role in security governance will emphasize the resolution to both current problems as well as root causes. It will also highlight that China's unique approach will help the host country in post-conflict reconstruction and long-term sustainable development, because a lot of domestic and international conflicts are caused by internal underdevelopment. As a result, promoting social and economic development of relevant countries by cooperation is the basic solution to prevent different conflicts. In this respect, China's development cooperation policies in recent years, such as helping developing countries to build infrastructure, expanding trade and increasing direct investment,

are all effective ways to resolve conflicts.

2) Continue to increase material and technical support to UN peacekeeping operations, increase share of assessed contribution to UN peacekeeping operations if possible, strengthen joint personnel training and peacekeeping experience exchange among Asian countries and with countries in other regions, and promote the overall increase of UN peacekeeping capability.

3) Strengthen peacekeeping cooperation and experience exchange among Asian countries, and build the Asian module of UN peacekeeping. Asian countries should reach a consensus on their special capability and role in peacekeeping, developing and solidifying their own comparative advantages, and making them as an embedded module of UN peacekeeping which can be used any time.

4) Promote the institutional building of the Asian module of UN peacekeeping: At the level of UN, we should establish the Asian peacekeeping decision making communication mechanism and negotiation alliance on assessed contribution for peacekeeping. Within Asian countries, we should set up the Asian peacekeeping coordination platform, joint training base for peacekeeping troops and Asian collaborative research center for peacekeeping study. In specific peacekeeping operations, we should build the social, communication and collaboration mechanism within Asian countries.

Thirdly, we should further enhance theoretical and practical research of Asian countries' participation in peacekeeping, as well as realize the balance between publicity and practical promotion.

1) We should enhance academic research to clarify the relation between Asian countries' special interest, approach, idea in peacekeeping and UN peacekeeping as a whole from theoretical level, and to prevent distortion or even defamation. The emphasis on special approach such as "developmental peacekeeping" should be integrated with the overall idea and target of UN peacekeeping, special demand of host country, as well as comparative advantage of Asian countries' peacekeeping capability. It should also be emphasized that these special approaches are under the UN peacekeeping framework.

2) We should develop joint research among Asian countries on

peacekeeping, especially to establish the joint research and communication mechanism of Asian universities and think tanks to focus on the research of the building of an Asian module in UN peacekeeping operations. For the publicity of the achievements, Asia's collective contribution to UN peacekeeping, rather than special contribution of one single country, should be highlighted.

3) Establish a Public-Private-Partnership among government, peacekeeping force and universities and think tanks to form a dynamic decision cycle. The process of this dynamic cycle will be as follows. The latest news of peacekeeping will be reported to the government, universities and think tanks by peacekeeping force at the frontline. Think tanks will be responsible for the concept and policy making of these issues, and provide specific policy advice, while universities will be responsible for the theorization of these issues, as well as to prove the rationality of policy advice from think tanks and provide some recommendations for improvement. The advice will be collected and reported to the government, and the government will make policies based on real policy pressure, and submit these policies to UN Department for Peacekeeping Operation. After gaming and bargaining, the final peacekeeping policy will be made and implemented by peacekeeping force at the frontline, which will launch another round of decision cycle.

*Translated by Qian Jing*

# The Role of University Overseas Center – From the perspective of national strategy

Fan Lizhu, Fudan-UC Center on Contemporary China

With over 30 years of reform and opening up as well as economic development, China's economic and trade cooperation with other countries worldwide has been much closer. However, many insightful people have noticed that, much misunderstanding, instead of mutual understanding, has occurred between China and other countries. "At international conference, some 'old friends' are no longer in China's camp and even put forward tough issues such as Tibet issues and human rights issues." Moreover, China's political system, the road of peaceful development, improving social policies and even the sovereignty of Diaoyu Island are becoming topics that are criticized and picked on. The fear of "China threat" is thus bafflingly appeared. Obviously, China's worldwide influence not only needs "Made-in-China" goods, but also going global. Thus China will be proactively understood by the world, especially those interpretations of China's political path and development direction, and the recognition of some important issues. This requires us to build a platform to clarify those issues for Chinese that Americans will not be willing to do: the sovereignty of Diaoyu Island belongs to China; Tibet is a part of China; Taiwan is China's internal issues; and peaceful development is based on the logic of Chinese civilization. (Confucius once said, "if people far away are not convinced, then we'd better improve morals to make them convinced".) In fact, as for the "China experts" overseas, some of them don't know exactly and comprehensively about China as a result of their own limited cultural background, while some, as think tanks, serve their countries' policies with knowledge of China. Although China keeps close personnel contact with America and the European countries, there are still intentional and unintentional misunderstanding. Furthermore, China lacks influence upon many countries and regions. For instance, there is only one Asia-Pacific Institute (Mexico), which is not beneficial to the establishment and steadiness of China's global strategic development and economic cooperation pattern.

Universities with academic competency and influence can cooperate with famous international academic institutions overseas to build a

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Establishing overseas university center has strategic significance for our country. China's worldwide influence not only needs "Made in China" goods, but also need to go global, proactively let the world understand China. The establishment of overseas center, to some extent, is in the service of the extension of national influence. It shows the ability of communicating with the outside world and open and inclusive mentality, which is conducive to China's global strategic development and economic cooperation pattern's establishment and steadiness.

window to understand the Chinese society and development as well as a bridge for mutual dialogue between China and foreign countries, which serve as our country's "Go-global" strategy in the form of academic internationalization. It also helps to realize that social science research in universities provides intellectual support for country's development and positive dialogue with other countries around the world. The establishment of overseas center, to some extent, is in the service of the extension of national influence, showing the ability of communicating with outside world as well as open and inclusive mentality. The academic activities held by overseas centers, characterized as the function of international cooperation, have an international influence. Consensus such as introduction of the present situation of Chinese society, interpretation of economic model and understanding of political system can both promote recognition, interaction and communication among academic elites around the world and also be spread out among citizens overseas through dialogue, exchange and even criticism.

Of course, political dialogue, existing problems and challenges, as well as relevant suggestions will be regarded as useful references when government formulates related policies.

Countries and their heavy weights put high value on overseas academic institutions and they regard making speeches at academic institutions as an excellent way to pronounce policy and show personal charisma. It is expected that in the future when the Chinese government actively promotes the establishment of universities overseas center, they are able to, at the same time, make their voices heard at Chinese universities overseas centers, as a new diplomatic means. It is for sure that the Chinese "go-global" companies can find a way to be better understood by the local and then be better integrated into the society of the host countries through overseas university centers .

*Translated by Huang Weiwei*



# *Inviting Contributions to China Watch 2015*

To construct new-type think tanks, promote the conversion between research and policy-making advice, and provide more high-quality reports and advices, Fudan Development Institute and Centre for Think-tanks Research and Management in Shanghai decide to solicit contributions from Chinese and overseas scholars to *China Watch*. *China Watch* focuses on hot issues in various fields of China. In the first semimonthly, it selects the latest achievements of top foreign think tanks, themed by ‘International Perspectives and Forefront Issues’; in the second one, it collects the policy analysis of Chinese experts, themed by ‘Chinese Think Tanks and Contributions to Development’.

## ***Requirements***

1. This contribution should be policy analysis or advice, reflecting author’s deep thinking of forward-looking and comprehensive issues. Topics include but are not limited to Chinese domestic affairs, foreign policies, economy, society, education and other issues involving China’s development.
2. The English edition could be articles published by foreign think tanks or major media in English (if the article is in other foreign language, please attach a 200-word abstract), or English research achievements of yourself. If the contribution is accepted by editorial department, it will be translated by the referrer or editorial department.
3. The Chinese edition is open to all the institutions and individuals. The topic is decided by yourself and the language should be succinct and not academic. 3000 words are proper, and there should be an introduction of the author within 100 words in the end. If the contribution is involved in sensitive issues, please burn it onto disc and post it to the editorial department with paper edition instead of sending it by email.

## ***Notices***

1. Email address: [centrems@fudan.edu.cn](mailto:centrems@fudan.edu.cn). Please fill the title of your contribution in the email subject and attach the following information (very important): Article, Author, Referrer, Address, Email, and Telephone Number.
2. One contribution at a time. Please not deliver more than one contribution at a time, or deliver repeatedly.
3. The contribution could be delivered to other publications and we’ll reply in one month. If the contribution is accepted, the editorial department will reward it.

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## *Fudan Development Institute*

Fudan Development Institute (FDDI), founded on February 12th, 1993, is determined to build a first-class think-tank. Our research is directed towards issues of national development, striving to make contributions to the development of society by through the integration of research resources and human talents of various disciplines. There are 7 domestic research institutes which Fudan Development Institute is incubating, including Financial Research Centre, Centre for BRICS Studies, Shanghai-Hong Kong Development Institute, Centre for Communication and State Governance Research, Contemporary China Social Life Data and Research Centre, Institute of Social Research, China Insurance and Social Security Research Centre; 3 overseas research institutes, including Fudan-UC Centre on Contemporary China (University of California), Fudan-European Centre for China Studies (University of Copenhagen), Fudan-Tec Monterrey Research Centre for Studies on China-Latin America (Monterrey Institute of Technology and Higher Education); China Financiers Club; 2 secretariats of major forum, including secretariat of China University Think Tank Forum and secretariat of Shanghai Forum.



## *Centre for Think-tanks Research and Management in Shanghai*

Centre for Think-tanks Research and Management in Shanghai, led by Shanghai municipal Party committee and relying on Fudan University, commits itself to incubating and promoting the capacity of Shanghai university think tanks, constructing a domestic and international known Shanghai university think tank system. It provides management through serving, seeks integration through internal communication, gathers impact through international talks, guards the quality through assessment, achieves status through contributions, and sets up a communicating, marketing and international talking platform founded in Shanghai, serving the whole nation and taking the whole world in view. The Centre aims to integrate the resources of Shanghai universities and think tanks, transfer the research into results, offer suggestions to the government, spread the ideas of think tanks to the mass, realize the social value of academic achievements, incubate composite scholars with consulting capacity, push forward the discipline construction of universities, and promote the development of new-type university think tanks.

# CHINA WATCH

# WATCH CHINA

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