

# 中国观

No.7 2015 (Vol. 7)

# CHINA WATCH



复旦发展研究院  
FUDAN DEVELOPMENT INSTITUTE



上海市高校智库研究和管理中心  
Centre for Think-tanks Research and Management in Shanghai



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# Asia's Solution to Asian Problems: There are Possibilities

Chintamani Mahapatra

## *I. Key Points of Achieving Asia's Solutions*

For all Asian countries, how to tackle with their own safety problems is an issue of great importance and we need to deal with these challenges from own perspective. If Asia can solve these problems on its own mainly depends on four aspects:

- (1)The Capability. Whether Asia is capable of dealing with inner challenges such as safety issues, territorial disputes and disputes within neighboring countries as well as other kinds of issues.
- (2)For Asian countries, how to come up with better strategies for dealing with these safety challenges.
- (3)For us, whether solutions to these existing problems are available or not.
- (4)What will happen once all of these challenges have been resolved?

The most important thing, among these strategies, is that we have to be on our own. After the Cold War, America has been playing an increasing important role in Asia's development. Is it possible that we Asian countries can solve these issues without being intervened by America?

## *II. Background to Asia's Solutions*

### *1. The real motive behind America's intervention with Asian issues.*

We need to know that America's intervention is not going to offer merely help to countries in Asia. There are always many different kinds of conflicts and disputes within China, South Korea, North Korea and Pakistan, such as the dispute over the south sea and over Taiwan. On these issues, America has been playing its own part, but above problems are still there. Actually, it's even hard to say that America does mean to make a contribution to the resolutions. Thus, while we Asian countries cannot solve all these problems totally on our own, we cannot depend on outside aids from countries like United States.

## Introduction>>

In this article, the writer discussed the possibilities of Asia's resolving safety issues on its own and believed that more solutions to these existing problems should be made by all Asian countries. For some safety issues, the corporation with non-Asian countries may be necessary. In general, however, negotiation within Asian countries is a basic strategy to resolve these problems.

## ***2. A generally stable international situation in Asia.***

In present, the dispute over Guam is perhaps the trickiest issue for Asia. We have mentioned many challenges for Asia before, but all of these issues, say island disputes, will not contribute to wars between Asian countries and we still have a stable situation in Asia. The most serious problems for Asia now are poverty and poor educational development, these serve as two big challenges for Asian countries.

## ***3. The complexity of Asian problems.***

Countries in Asia, regardless of their territorial area, share some historical problems which occurred long time ago. These problems have a big effect on the development of Asian countries. However, it's hard to find a omnipotent solution to these problems due to the complexity. There are mainly three types of challenges:

① ***Poverty.*** Asia, the biggest continent around the world, is also the most important continent. However, one third of Asia's population are living a relatively poor life. Chinese premier also mentioned that 200 million people in China are still living with poverty. I myself, as an Indian, know that the number of the poor in Indian is more than the population of North America and Latin America continents. Another phenomenon we should pay attention to is the increasing number of the poor people, 70 percent of which just received the primary education before.

② ***Cultural diversity.*** We need to be clear about cultural diversities among different countries or different races such as differences in language. Many countries in Asia, including China and India, has many minorities. These minorities may be the source of big issues, sometimes they can even trigger some international issues which cannot be solved by merely one country.

③ ***The territorial and economic inequalities.***

China boasts a big territorial area, but the land area of India, compared to China, is relatively small. There are many other differences in territory, population and culture among Asian countries, these differences can be a main contributor to Asian safety challenges. For example, the fact that China is both the biggest country and economy in Asia can be regarded as a threat to other Asian countries, which may cause other hidden safety issues. Some relatively small countries want to get outside approaches to

deal with the threat. And in recent years, we also realized the problems caused by these inequalities. For instance, some of the disputes over sea areas such as the south sea are an indication of worries from relatively weak economies, and the other disputes can be seen as the historical issues. These historical issues between countries like India, China and Iran bring great hidden dangers to Asian safety.

④ **Other issues.** Such as the environmental pollution is a transnational problem and multinational cooperation is necessary for the environmental improvement. Some traditional ideas believe that the rapid development of China and many other economies in Southeast Asia can result in more serious disputes. Meanwhile, poverty remains as a serious challenge and we must put more attention to many other inner issues as well.

### ***III. The Current Situation about Asia Safety Issues***

***1. Each new issue will need a new solution which may trigger another new issue.*** For example, economic increase is a good thing. In China, the number of the rich and middle class families is big, but the income gap between the poor and the rich is also huge. This kind of situation is worse in India. Again, we all know that technological development is vital but it can also get more people unemployed. These problems are real and need to be resolved. The first priority for countries who are trying to find better solutions to deal with these issues is to considerate tackling problems personally and independently.

***2. The necessity of independence and dependence.*** Asia confronts with various kinds of safety issues, such as poverty and multilateral problems. We need to understand that cooperation between Asian countries may not be enough to deal with some challenges. While for other issues, negotiation within countries in Asia is a better solution. Both of these two approaches can be applied to solve safety issues in a better way.

As I see it, the territorial disputes between many countries including China and America are actually the indication of big countries' power in Asia. The complicate relationship between China and India as well as the tension between China and Japan all has a fundamental effect on China's relationship with neighboring countries. In conclusion, there are many problems for Asian countries to be solved and inner negotiation between Asian countries is a necessary resolution of some of these issues.

*Translator/ Li Ziyang*

*Shanghai Forum 2015 High-level Dialogue*

## Strengthening Cooperation Between Asian Countries and Maintaining Regional Stability

Masood Khan, *the former Pakistan ambassador to China*

When discussing the confronting urgent security issues of Asia, we should firstly assess the capability that Asian countries have in dealing with security challenges, and based on which we should improve ability of solving problem. At present, there are two trends in Asia countries: one is seeking common ground while the other is representing diversification. In the past few decades, the two trends did exist in both investment and industrial development.

***To Asian countries, the most urgent task is to rebuild mutual trust in between the local region.*** Currently, the United States reveals itself with the tendency of interfering in Asian affairs by restricting China's behaviors and supporting its Asian allies. There are competitions amongst Asian countries, and some of them are able to play a relatively leading role. Besides, the military forces in different countries changes all the time, and conflicts in some major countries still exist. For instance, in Northeast Asia, China and Japan dispute with each other over the issue of Diaoyu Islands. In fact, the conflict between the two countries is more because of historical issues and resource impact than the issue of Diaoyu Islands itself. In addition, the problems in the Korean Peninsula are very serious. Another example comes from Southeast Asia, in which conflicts over the sovereignty of numerous islands emerges now and then. The Asian countries are suffering from a crisis of confidence. In 2013, China and Southeast Asian countries settle disputes mainly through the bilateral coordination mechanism. Meanwhile, multilateral mechanisms and international arbitration are also methods of solving problems.

With the rapid development of China and Northeast Asia countries, the Asian security system develops constantly. More development has proceeded in other fields. For instance, China proposed the idea of the "Belt and Road" initiative in the aspect of infrastructure investment which was responded positively from more than fifty countries. Japan intended to invest billions of dollars to strengthen infrastructure construction. The "Belt and Road" initiative could also be a sound strategic shift towards the entire international situation, to some extent could change the current

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Masood Khan, the former Pakistan ambassador to China, analyzed how to promote cooperations between Asian countries and meanwhile maintain the regional stability in three aspects: reconstructing mutual trust in between this area; cooperating with each other via economic ties and formatting Asia security mechanism. He said not only should we base on Asia, but also should we focus on the other parts of the world.



political pattern.

***China is supposed to conduct cooperation with more countries via economic ties.*** The China-Pakistan Economic Corridor has benefited both two countries. China also carried out many dialogues with India. For instance, Narendra Modi, Prime Minister of India, has negotiated with Chinese government over the bilateral security policy, which will certainly generate follow-up solutions. Asian countries should promote mutual understanding between each other to further strengthen cooperation.

With much pressure on military and politics, Asia countries with its constantly increased economic strength, strengthened its capability in handling the potential security risks to grasp the future in their own hands. Since Pakistan has a close relationship with China, we believe that the cooperation between the two countries will be very beneficial for both developments. China will serve as the basis of Asia's stability and strengthen the economic ties between the Asian countries for better relationships.

What direct influences of the conflicts between areas like East Asia and the Middle East will exert to China? How will the intervention of the United State affect Asia? The prospect of Asia's future is held in their own hands. We need to cooperate with other countries in order to make a contribution to Asian's stability. The problems of poverty, low education level, imperfect legal system and regional instability existing in Asia cannot only be solved by one country, but need more concern from the international community.

Above all, the construction of Asian security mechanism should be more representative and involve in broader areas. We should not only focus on Asia, but also pay attention to the development of other regions.

*Translator/Liu Ling*

# Asia Be Self-reliant ——2015 Shanghai Roundtable Forum on Topic "Is Asia Able to Solve Its Own Problem?"

Wu Xinbo, Wei Zongyou, *Fudan University*

## *I. Main present security issues Asia faces*

Asia is playing an increasingly important role in shaping the world. There are more and more trade and economy exchanges among Asian countries and they rely on each other. And on the whole, Asia is in a relatively safe environment though it also faces a series of complex security challenges including conventional security challenges and unconventional challenges.

For the unconventional challenges, poverty, imbalanced development, terrorism, religious extremism, natural disasters, pirates, environment and hygiene, climate changes, epidemic disease, human trafficking and drugs are main security challenges facing Asia, which are closely related to social injustice. All the guests believe that these are not only disastrous to the region but also to the world in need of dealing with these challenges jointly.

Most guests hold that the more urgent problem in Asia is the conventional challenges, including the distrust between countries, the issue of Korean Peninsula, and the issue of reconstruction of Afghanistan. Professor Chintamani Mahapatra from Nehru University says that, the conventional challenges in Asian countries include territorial disputes and territorial waters with historical factors, and also the intervene from superpowers, for example, the relations of China and Japan, China and India are intertwined with the factors of history, territorial disputes and superpower competition, which inevitably added to the complexity of the issue. In East China Sea and South China Sea, disputes are also on the rise. So maritime disputes may be the most serious issue Asia confronts.

Masood Khan, former Pakistan ambassador to China pointed out that Asia is a diverse continent in national scale, development level and military power. Asia has confronted some challenges from the past including the Diaoyu Island dispute between China and Japan, issue

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2015 Shanghai Roundtable Forum was held concerning the topic "Is Asia able to solve its own problem?" on 23rd, 2015 in Pudong International Convention Center in Shanghai. About 20 guests from Hindu, Pakistan, Korea, Russia, America and China are together to have a heated and awarded discussion over the issues like "The main security problems now Asia faces" "The ability of Asian countries to solve their own problems" "The role of extra-regional countries like America in solving Asia security problems" "Asia security management mechanism".

of Korean Peninsula, South China Sea disputes, and the reconstruction of Afghanistan, etc. The issues above are knotty and some are even worsening especially in the maritime disputes between China and its neighboring states.

Frank Jannuzi, the president of The Maureen and Mike Mansfield Foundation pointed out that although East Asian countries are closely connected but there are a series of issues and disputes left over by history which added to the uncertainty of China's future. All the different factors may lead to a security dilemma in Asian countries.

Han Yong-Sup, the president of Associate of Nuclear Policy in Korea also believes that there is a paradox of Asia's economy and security. They are closely connected in economy but extremely attached in preserving security. From a strategic point of view, the situation of Asia is like what it was in the WWI. The competition between China and the United States, the militarization of Japan, the increasing Chinese military power, and the DPRK's Nuclear Crisis, all of which harass the Asian countries.

The president of Council on Foreign and Defense Policy of Russia, Fyodor A. Lukyanov states that globalization has brought many changes to the international relations, yet uncertainty still exists. What recently happened in Asia like the chaos in Middle East Asia and Ukraine crisis poses great crisis on Asian security. The chaos in Middle East Asia will not be solved easily and Ukraine crisis make the relation between Russia and Western countries reach a deadlock. Unlike the Cold War Era, Asia now is the central concern of the world as well as of power balance, where any tiny skirmish will lead to huge disaster. In one word, any issue deserves conscientious attention.

## ***II. The ability of Asian countries to solve their own security issues***

The scholars expressed that Asia countries should first assume the responsibility of Asian security; yet concerning what measures should be taken to cope with the security problems. For the unconventional challenges like natural disaster, epidemic disease and climate change, the regional and non-regional countries should work together. Yet for the conventional challenges, regional countries have no ability to solve no matter they are willing or not. Therefore they need help from non-regional countries. However, some believe that with increasing power and strength, Asia countries should find more resources and solutions by themselves

rather than rely on other countries.

Mr. Jannuzi holds that there are many problems in East Asia that Asian countries cannot solve due to lack of ability and trust. For example, China and Japan cannot work efficiently to solve the security problem in Asia. Also is the case in the DPRK's Nuclear Crisis. If Korean and Japan were negotiating with the crisis together, they are very likely to develop nuclear weapons on both sides, which is by no means a good result to the entire security. There are also a lot of unconventional problems like pirates, illegal migration, natural disaster and epidemic disease, requiring united efforts from international community to solve. Asian countries should overcome the divergence and conflicts caused by dignity, fear or profit.

Mr. Lukyanov believes that Asian countries must address the issues on their own because there is no such case that a country ever did a favor for another country to solve its security problem. But are Asia countries well prepared? His answer is not yet.

Professor Liu Ming from Institute for International Relations, Shanghai Academy of Social Sciences proposes that the main obstacle in solving Asian security problem is the deep-rooted distrust. When making policies and strategies, Asian countries usually think of themselves only with even hardly considering other countries. The result of this pragmatically mindset is a deterioration of the regional relations, which can be no helpful at all in solving the discrepancies and conflicts.

Han Yong-Sup points that Asian countries are more active in their efforts to combat security challenges, and also come up with many constructive suggestions and are cooperative than before. But he emphasizes that Asian countries are still limited in their ability to solve the conventional security issue for big powers lacking of mutual trust while medium and small countries lacking of capability. ASEAN only has limited function as a regional international organization that still needs assistance from non-regional countries like the United States.

Khan points out that Asia develops quickly in national economy strength, the ability to solve their own problem also needs enhancing. In particular, the “Belt and Road” initiative proposed by China has boosted the economy and improved regional security. He also adds that the future of Asian countries should be in their own hands rather than relying on other countries, i.e. more intensive cooperation in Asia are needed for more regional stability.

The researcher Zhao Gancheng from the Institute of South Asian Studies, Shanghai International Studies Institute believes that Asian countries can resolve the safety problems they are facing. America retreated from Middle East and Afghanistan and shifted its focus on East Asia Sea, which provides an opportunity for Asian countries to solve their problem on the continent. The key is to build an appropriate mechanism. If it works, all the issues about security will be resolved. In particular, recover and reconstruction of Afghanistan will be a test for Asia more than a challenge.

Professor Wu Xinbo, deputy dean of Fudan International Studies Institute, indicates that Asian countries have become more pragmatic with increasing ability and awareness. Yet the core is that Asian countries should discover a suitable mechanism and build a proper structure to jointly deal with these security issues and challenges.

The former Chinese ambassador to France Wu Jianmin briefly states that Asian countries should find the solution by themselves. Since People's Republic of China was founded, we have long taking that domestic problems should be resolved by its own while global issues be addressed by all.

### ***III. The Role of Extra-Regional Countries in Solving Asian Security Problems***

For extra-region super countries especially the United States, most thinks that Asian countries do not reject but fear what they do will make the situation more troublesome instead of contributing help.

Jannuzi maintains that America contributes a lot for Asia's peace and prosperity after WW□ and for a long time America plays an important role in world peace and it can definitely be constructive in East Asian problem-solving process. Besides, as one of the ally country of Asia, America is by no means an extra-region country. Han Yong-Sup thinks that because Asia is still limited in their ability to resolve their own problems, America is therefore much needed in solving Asia's security problems. He also mentions that America has long been an ally of East Asia, so it cannot be excluded from this problem-solving process. Khan also agrees that Asia should welcome America to exert positive effect in Asian issue. The researcher Sun Degang from Institution of Middle East Relations from Shanghai International Studies University states that

the distrust and jealousy between countries largely disturb the security process. And if it continues, it will inevitably disturb the development of problem-solving.

Lukyanov holds that most of Russia's territory is in Asia rather than in Europe although most of main cities are in Europe so it is still an Asian country. In 21st century, Russia should be more active and take more responsibilities in Asia. Unlike Western countries, Russia thinks that Asia's solution is more suitable. Russia has long been worrying that China may become powerful and ambitious but ever since China in crisis with Ukraine, Russia worries now more about Western countries.

Mahapatra reminds us that America's intention to help Asia out with its security problems is not simple and pure. For a series of Asian issues like the issue of Korean Peninsula, the issue of Taiwan, the issue of South China Sea, America has long been intervening, so it is hard to say whether America is actually wants to solve the problem or not.

Doctor Zhao Minghao from Department of External Relations of the Central Committee of the Chinese Communist Party points out that Asian countries should assume the region security responsibility and meanwhile they also want to build constructive relation with America. China hopes to build constructive relationship with America, but America's Asia-Pacific rebalancing strategy barely has positive effect.

Professor Wu Xinbo believes that many of Asian security problems like the reconstruction of Afghanistan and the issue of Korean Peninsula cannot be resolved through force. Instead, we need a more open and multilateral structure which involves more countries in Asia. Certainly, Asia should be the first one to assume responsibility.

Ambassador Wu Jianmin also mentions that America sometime acts too sensitively, assuming that China tries to kick America out, which is impossible.

#### ***IV. Security Management Mechanism of Asia***

As for what mechanism should be established in Asia, the guests present have two opinions. Some think that the bilateral alliance system that America built in East Asia has exerted positive influence on its peace and economy development. In this sense, it should be well-maintained and expanded in its function to cope with unconventional security challengers.

And if possible, it should also be developed to a multilateral network. Other people think that the bilateral alliance system is the result of the Cold War Era, therefore it should be replaced by other strategies and mechanisms because it fails to meet the demands of current situation in Asia.

Zhao Gancheng points out that we need a bilateral security mechanism rather than a bilateral military alliance in the Cold War Era. The current mechanisms can be grouped as marine mechanism or continental mechanism. The former mainly includes the regional organizations like CICA summit and The Shanghai Cooperation Organization. Asian Council of Security, which includes almost all Asian countries on the basis of the member of the CICA, is mainly in charge of the continental security problem. Among them, China, India and Russia are three main countries. In the future, perhaps, Japan should be included. Whether America should be included depends on the future development Asian Council of Security.

For Zhao's proposal, Khan says that Asia's Security Council should be more tolerant, which means America should not be excluded. The multilateral security mechanism should be equal each country and great powers should not be entitled with any privileges. Mahabod proposes that there should be security dialogue mechanism between China, America and India, or between China and India to reduce suspicions and mistrust between China and India. Multi-dialogue mechanism should also be established among other countries in Asia. But we have to notice that the mechanism should be more tolerant as possible.

Han Yong-Sup holds that from the past history, the military alliance of East Asia really has exerted positive influence to Asia's security and prosperity, which we cannot deny. However with the development of Asia's situation, traditional bilateral military alliance should be expanded to multilateral mechanism.

Jannuzi points out that the value of America's allied chain lies in that hard power is the core to solve the real problem. For example, America's alliance in East Asia has been greatly helpful when facing natural disasters like the tsunami of Southeast Asia and the earthquake in Japan. No country in Asia can solve the problems on its own except America's alliance in East Asia. Yet this alliance is still in the old structure of the Cold War Era, so it needs to be adjusted according to today's situation and become more tolerant. And when faced with unconventional security

challenges like pirates, epidemic disease and natural disasters, America could transform the alliance from a bilateral mechanism to a multilateral one.

Liu Ming believes that America still relies heavily on bilateral military alliance. Although America is in favor of six-party talks, but it's more like a practical solution and a little opportunism. America is very careful and vigilant in its attitude toward China and believes China is a huge threat. If China proposes to build an Asian security mechanism, America won't be very glad because it believes China is going to seize power from itself (America). Therefore it is very difficult for China and America to have talk on Asia's multilateral security mechanism.

Lukyanov wonders in such an era where the political, social and geopolitics situation is hugely different from that of the Cold War Era, is the concept of alliance out of time now? The idea of alliance alone cannot solve Asia's problem. Asia should figure out its own way of resolving problem. Shanghai Cooperation Organization may someday develop into an economy and security organization between Europe and Asia to solve Asia's security problem in a multilateral way.

#### ***V. Suggestions***

The conference now comes to conclude with what we've discussed above.

First, the level of capacity building-up in Asian countries should be enhanced. Ability building-up is of extreme importance to solve Asia's security problem and keep its peace and prosperity. It includes not only nation governance capacity and economy potential, but also the political, economy and military ability of the major powers in this region to deal with security problems.

Second, cooperation and coordination in Asian countries should be improved. Because of many reasons, many Asian countries lack mutual trust both in strategy and political affairs, which is undoubtedly an obstacle for Asian countries to solve problems together. Therefore, to enhance the communication and cooperation of Asian countries in politics, economy, culture, and security area is extremely helpful.

Third, a risk management mechanism should be built. Many territory disputes and maritime disputes recently are still unsettled in Asian countries, which are obviously harmful to Asia's peace and prosperity,



but also an obstacle for their ability to solve the security problems. Asian countries should build bilateral or multilateral risk management mechanism on territory and maritime disputes.

Fourth, a multilateral security mechanism should be built. Asia lacks an effective multilateral security mechanism to deal with conventional challenges as well as unconventional challenges. Given to the fact that Asia is still limited in its ability and there is distrust and suspicion among Asian countries, the building-up of Asian multilateral security mechanism cannot be completed in on day, but should be built step by step.

The mechanism could be divided into two parts: maritime and continental mechanism to be built. Also, it is suggested to start from unconventional security challenges. The continent mechanism can be based on what already exists currently and gradually make it the main mechanism to tackle the regional security problems.

Fifth, Asia should enhance communication and cooperation between big powers like America. Though America is not one of Asian countries, it has long been important in Asia's politics, economy and military issues, therefore it must be included in the security mechanism building process. Before Asia is willing and is able to solve the security problems, and also before an effective mechanism is established, the role of America should never be ignorant, though America may not be right all the time. As America has long been suspicious and defensive toward China, any action that may mislead America to believe China is driving him out of Asia should be given twice thought.

*Translator/ Li Mengmeng*

# Urban Governance and National Competitiveness

Zhou Weilin, *Urban Economic Research Institute, Fudan University*

According to the goal of Shanghai to become a global city by the year 2040 and 2050, Professor Zhang Xueliang of Shanghai University of Finance and Economics, proposed that we might as well think about how to build a global city from the view of relationship between Shanghai and the Yangtze River delta group. Today, Shanghai's GDP has been 2.5 trillion, but the amount of economy cannot tell the whole story what's more important is the flow of information, capital, technology and other traffic control, in order to improve the ability of global resource allocation. The GDP of Yangtze River Delta is 12.9 trillion RMB, which is equal to 2 trillion dollars. What is the inner link between the global city and the global urban area in the next 10 years, 20 years and 30 years? It involves the relationship between city and city, the relationship between people and the city, and the relationship between people and people.

The construction of global cities and the global urban areas calls for the cooperation between cities. Gathering different levels in the same geographic area generates considerable benefits. The link between them is achieved by informationalized and urban integration. The wide application of information technology has penetrated into every aspect of life in cities and urban areas. In 2050, Shanghai should be an intelligence-driven city, which embodies the integration of people and people, people and the city, including the urban integration of traffic travel, industrial layout of the city. In the changing process from rigid administrative system to networked global regional system, the issue of city population, the city's population capacity and quality should be considered in the global urban area, and obviously it is far from enough to confine Shanghai to over 6000 square kilometers from the perspective of governance, to address the issues of traffic and immigrant integration, Shanghai should cooperate with surrounding areas to march towards a global city.

Shanghai has become an important international investment city. Ten years ago, Shanghai ranked 190, and now ranks 11 in the world. In the next 10 years Shanghai will be more attractive. Then what makes Shanghai different? Stephen Barter, Consultant chairman of KPMG real

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Under the background of the profound changes of the global economy, improving urban governance has a profound impact on the national competitiveness. Themed by "How to improve urban governance?", six senior scholars have addressed their perspectives on the relationship between Shanghai and the Yangtze River delta group, urban competitiveness, the Internet technology, globalization and urban construction.

estate, believes that if a city in the world wants to be more competitive, it demands cognition and confession of the place, which is very important. The evaluating indicators for the competitiveness of a city include supply of labor; interconnectivity in and out of the city including information accessibility, trade convenience, the credibility of the contract and legal justice; sound governance namely institutional strength and the actions of decision makers, which represented by leadership of decision makers and standards of industry associations; quality of life is important, which reveals the preference of living and shows the quality of public health, education and culture. The best touchstone is the vitality of city. The London City, for example, has encountered numerous problems during hundred years of development history, but it was able to move forward by getting them over. Shanghai now faces the similar challenge and flexibility can be the touchstone.

A City is the place where people meet, live, work and entertain. It should be well governed to make it become a place where people would like to stay. The main reason for people to choose a living place depends on the whole family. How to make people identify themselves with the city? Architecture is the first impression to recognize a city, and values attached with the buildings are able to inspire ordinary people's nature instinct. The most common way is to recognize the public space and then consider the private living standards. In many people's impression, Shanghai is a modern, highly international city with elites from all walks of life. For people who live in Shanghai, they have been intensively influenced by modern technology. Shanghai needs to deal with several challengeable tasks: preserving historical communities while remaining Shanghai element; addressing the issues like high house prices, traffic congestion and air pollution. The challenge for Shanghai is whether its attractiveness could make talented people stay.

Professor Junfu Zhang from Clark University proposed to build a smart city. He took two American cities as examples to show how to use smart phones and internet to improve city governance. The first example is San Francisco's SFpark. SFpark's idea is to solve the problem of parking in the city. The reason why the downtown always congested is that a lot of people are driving back and forth in the city for a parking place. Parking in the United States is nothing more than two kinds of methods, the charging parking lot or in the street. Parking in the street is not free,

and there is a big price difference. If you park the car into the charging parking lot, the fee would be only \$12, and with half an hour over, plus another \$6. What about the price of a street parking? The streets in Boston are \$1.25 an hour. Because the street parking can save a few dollars, so many people choose to park in the street resulting in 30% to 40% cars driving around. What SFpark do is to bury a line under each parking lot, So it is easy to detect whether there are cars parking there, and the driver with the APP can see where there is a car, and the price of parking, and is there any place near the parking lot, It saves people's time to make quick decision rather than looking for park lot. Now there are less people finding a parking lot in the street. The other example in Boston is called Citizens Connect, which has become the informers of the municipal government. If citizens happen to see the streetlights have gone bad without a repair, an untidy house or the grass around untrimmed, they can take a picture and send it to the government. Then the government officials can solve these problems by gathering the information. In fact, Shanghai also introduces big data method into city management, such as Shanghai wechat, blog and government information publication, which is still a long way to go.

Professor Wen-Chi Liao, from National University of Singapore, shared the experience of Singapore in globalization and urban construction. Since Singapore was founded, it has been in continuous pursuit of globalization due to its resources. Gathering the universal talents matters for a global city absorb the wisdom of the world elite, and it is the center of the global economy which can exert a considerable influence on the global economy. It can easily cause the threat of social differentiation, because there are relatively disadvantaged groups in any country, and they are more easily to get hurt. How can we protect them? As a small island city, this is exactly what they must be cautious about. Singapore's urban governance is to strengthen the competitive advantage, basically via the concept of innovation, especially technological innovation to enhance national competitiveness, and create a suitable environment to prevent the negative impact on the local level. If the city wants to maintain the competitiveness of globalization, it is necessary to attract talents and calls for good quality of life. Singapore is a garden city, which focus on park constructions and network building. The green environment has surrounded all the people's lives. Another achievement of Singapore is the energy saving and emission reduction, as a leading role in the world. In 2013, the government of Singapore has put forward the law of energy saving. In

2014, the administrative law of green building was proposed and enacted. The new buildings were required to follow the new regulations while the old ones were reconstructed. Singapore's 85% residents live in the public houses, which has renovated and reconstructed to maintain good environment. The concept of Mr. Lee Kuan Yew is that people should have their own houses and good environment to live. Without all above, it will lead to social differentiation and the citizens will be unwilling to let next generation to guard homeland. Therefore, it is necessary to maintain the environment for people to live.

Professor Zhao Lixia, Director of the Center for Urban Studies and Planning of University of Hong Kong, introduced the management system in Hong Kong. Housing as an important component of a metropolis, which affects people's life quality and urban competitiveness as a whole. Hong Kong upholds free economy, and follows a market-led rule in the residential consumer system. Real estate market is allowed to make decisions by itself, therefore manufacturers, developers and buyers have the rights to make their own decisions. The land property belongs to the Hong Kong government that plays a leading role in the policy-making, while banks are also vital in it. The government would intervene in need but the market owns the final say. The Policy of Public Housing has solved the residential problem of more than 30% people in Hong Kong. The construction is outsourced to the construction companies, and the government is only responsible for the supply. The advantage is that the profits generated by the economically affordable housing can be used to subsidize public rental housing. From the perspective of urban governance, public housing is mainly provided by the government, in fact, other nonofficial participants, including, are appointed to the board of director including economists, accountants and the community members, as well as the organization of political interests, who were appointed to the board of directors. Thanks to such an open governance structure, the quality of public housing in Hong Kong is reliable with comprehensive facilities. The Financial Department has interventions in private operation, and Housing Department will monitor the entire housing market. The interest rate is not controlled because the HKD is pegged to the U.S. dollars.

The role of the mainland government is different. Which is the most efficient way to meet the needs of people? The government directly provides public rental housing to ensure the supply. The Chinese

government promotes the privatization of residential house, so that it brings the guarantee of the assets value. In other words, once you buy a house or an apartment, the value of assets will increase with the economic development which can be the welfare for the aged. There may be other relevant welfare like insurance, pensions, etc.

Professor Ning Yuemin from East China Normal University discussed the city's governance from air quality by adopting an analysis of time and space factors on China's urban air quality. He has calculated two indicators based on the data of Ministry of Environmental Protection in 2014. The first one is pollution rate, which calculates the proportion of days with air pollution in a year. Now the serious polluted areas in China mainly located in North China Plain, Weihe River Plain, including a number of cities in the Yangtze River and Urumqi and so on. Southeast coast and the Yunnan Guizhou Plateau have better air quality with relatively undeveloped industrial scale. There exists obvious difference in urban air pollution between the north and the south. The second indicator is an average index of the air quality of 161 cities. Due to his research, Maoming, Haikou and Sanya lead in air quality as excellent, and most of the coastal cities are good. 49 cities suffered air pollution, among those North China Plain becomes the most serious air polluted region.

The main factors are as follows. China's rapid industrialization and urbanization in the past 20 years, is the main cause of air pollution. Energy structure is mainly based on coal (66.6% in 2012), which occupies a high proportion in the energy consumption. This is a long-term phenomenon, which led to air pollution that is difficult to solve in a short time. In addition to coal, other industrial sectors that easily lead to pollution emissions are important pollution sources. Vehicles, dust especially construction dust become the main cause of PM2.5. There are other factors, such as topography, geomorphology that Sichuan Basin is a typical example. Season and climate can also impact the air quality, for example, pollution in Chinese cities gets most serious in winter because smog is blown from the north to the south but it turns better in summer for the southeast sea wind prevails. Sometimes the air quality would be influenced and controlled in light of official events, e.g., the weather in Beijing is relatively good during APEC summit. China's urban environmental problems are very prominent, which does not happen regionally. The situation in north part is worse than in south.

*Translator/Xiao Meng*

# Public Health Security and Urban Sustainable Development

Zhao Genming, *School of public health, Fudan University*

With a high concentration of population, industry and wealth, city is the most concentrated and active area of modern social economy, and works as the main place of modern social life and production. Cities have been experienced rapid development, while at the same time they also face unprecedented challenges from security issues. To tackle challenges from frequent and intensive natural disasters, emergent public health accidents and biological terrorism threats, it is imperative to promote capability building to respond varied public health emergencies.

There are growing demands for urban public health safety as cities play an increasingly important role. There are several major public health emergencies happened in recent years, such as Tokyo subway poisonous gas accident, “10 .11” event in US in 2000, SARS outbreak in China and other countries in 2003, London explosion accident in 2005, Ebola in West African countries in 2014 and MERS in 2015. These previously public health tragedies remind us that we have entered the peak of public health emergencies which are inevitable. Therefore, it’s particularly important to focus on urban public security and carry out researches to find solutions on public health emergencies

Besides natural disasters such as earthquakes, tsunamis and other natural disasters, the urban public safety is also affected by many factors like politics, economy, society, culture and so on. Megalopolis with millions of population is doomed to face a more serious security challenge. Especially Shanghai, which is characterized by large population, high density, numerous high buildings, concentrated industries and large volumes, is bound to face severe pressures and challenges from issues like social security, public health and safety, fire safety, elevator safety, urban traffic safety, energy security, chemical dangerous good safety, terrorist security and so on. This paper will focus on the relationship between public health security and urban sustainable development.

## ***I. Urban public security and public security system***

### ***1. Urban public security and management scope***

## Introduction>>

With a rapid development speed, cities are facing increasingly security challenges among which public health and safety events are significant issues. We should understand the distinctions and connections between two concepts--urban public security and public security system--and explore the relationship between public health and urban sustainable development. Closely linked with city development, urban public safety is the foundation of urban sustainable development. Especially, food safety benefits people and affects urban economy and development.

Urban security refers to a dynamic stability of ecological environment, economy, society, culture, human health and supply of resources, and the ability to resist disasters. As a necessary condition for the sustainable development of a city, urban security ensures urban economic, social and ecological stability and safety, which further facilitates the sustainable development of a city.

Public emergency is a sudden crisis which will cause or may cause significant casualties, property damage, ecological environment damage and serious social damage, and endanger public safety. According to public emergency process, nature and mechanism, it can be divided into four categories, namely, natural disasters, accidental disasters, public health events, and social security events, such as climatic natural disasters, complex natural disasters, fire, toxic gas leakage, nuclear leakage, traffic accidents, infectious diseases, explosions, murders and so on.

The scope of urban public security management covers four aspects including production safety, public safety, food safety and public health safety.

## 2. Urban public security system

The urban public security system is composed of two aspects. One is the daily management system dealing with daily city safety problems. Another is the crisis handling system mainly for handling of sudden crisis and corresponding public safety issues. Only combine the urban daily safety management and crisis management, can we build a well-organized public security system to protect the urban safety.

### (1) Daily management system of urban public safety

Public safety daily management system refers to an integral entity involves government administrative departments, relevant social organizations and citizens to prevent and resolve public safety events before they happen. It's composed of five major systems, including organization management, hazard installation management, target detection, educational training as well as rescue and safeguard.

### (2) Crisis handling system of urban public safety

Crisis handling system of urban public safety refers to a series of operations that turn daily management system into emergency, rescue and recovery after public safety events occur. The system should include: the



emergency command system, the start-up of information release platform, emergency rescue team, aftermath handling and so on.

## ***II. Urban public health security and sustainable development***

### **1. Public health emergency**

With the development of economy and the progress of the society, the resident average activity space is growing, and resident aggregation and mobility also increase. This change of social activities significantly promotes urban economic development and social progress, but in the view of public health, this kind of change in social activities aggregate risks outbreak and spread of infectious diseases, especially in the cities with large population mobility and density, which means a higher possibilities of public health emergencies.

Public health emergency is an event concerning public health that occurs suddenly, which causes or may cause serious public health damage, such as major epidemic outbreaks, group unknown diseases, severe food and occupational poisonings and so on. Generally speaking, these events are unexpected and unpredictable, because it is a public health issue that focuses on not a specific person, but a unspecific social group. The emergency damages or impacts public health to a certain extent, that is, the event has caused serious damage to the public health, or it may cause serious impact on public health from development trend view. Urban population density and large mobile population result in a wider range influence and great loss of public health events, causing social panic and serious damage. Public health emergencies are often related to illegal and irresponsible activities. At present, global public health events have shown characteristics of large scales, serious losses, broad influences, high-profile concerns, complex reasons, and new infectious diseases.

### **2. Relationship between urban public security and sustainable development**

As a highly intensive society, a city is closely linked and mutually influenced by various components. We must correctly deal with the relationship between men and nature, ensure city's public safety and provide beneficial resources and environment to city development to achieve a stable and healthy social economic development.

(1) Urban public safety is the basic condition for city sustainable

development.

Along with global population, resource and environmental issues become increasingly prominent, city sustainable development has become a common concern of the whole world. A city is a highly populated area where people frequently engage in economic, cultural and politic activities and it is also vulnerable to ecological and environmental damage. The key idea of sustainable development is to coordinate the relationship between human, natural environment and resources, to ease the conflicts between them, to reduce environmental negative effects on human, and to meet the needs of contemporary people and protect the interests of future generation.

(2) Urban public health safety events are closely related to urban development

Urban population is so intensive and mobile that once a contagious disease outbreaks, it's extremely easy to spread quickly in the crowd. Furthermore the popularization of modern transportation tools accelerates population mobility and activity scope, so that infectious diseases can spread rapidly in every corner of society, resulting in social and economic losses. From the perspective of social development, infectious diseases have been heavy burden for developing countries. Besides the traditional factors, the increasing population density and long distance flight density have also contributed to the outbreak and spreading of infectious diseases in city. Direct or indirect contact with infectious diseases is bound to accelerate infectious diseases' transmission speed, and long-haul flights increase the risk of the disease input and output, such as SARS, MERS and other respiratory tract infections. For an international metropolis like Shanghai, with its rapid economic development and large population flow, high entry and exit population increases the risk of infectious disease importation and exportation, as well as its coping pressure. In addition, along with the rise of oil industry and mining industry, a large number of toxic, harmful chemicals and pesticides have been synthesized or produced. As a big country of chemical production, use, import and export as well as consumption, China accelerates its urbanization, to a certain extent, causing these toxic, harmful chemicals and pesticides to flow into the city through a variety of ways, which increases the potential risks of public health events in city.

With high information dissemination, city is the central area of social

production, where social activities are closely associated with each other. Once public health emergencies occur, social order will be inevitably affected through a direct or indirect way within a short time resulting in economic loss which cannot be estimated. If emergencies cannot be effectively intervened and controlled, it is possible to cause social crises or political unrest.

### (3) Food safety benefits people, affecting city economy and development

Food safety is related to the vital interests of ordinary people. Food security is influenced by food safety, food supply and individual behavior. With high urban population density and large food consumption, food is mostly supplied by market. If food safety cannot be guaranteed by market, residents are easy to buy inferior or unsafe food which threaten their life and property under information asymmetry condition. In addition, food consumption occupies a relatively large proportion in people's daily cost. Solving food safety issue is conducive to stimulating domestic demand, and facilitating implementation of economic policies. Food development can be divided into survival, nutrition and safety stages. China now is in the third stage. China's food safety supervision confronts with problems such as particularity, complexity and sociality. Particularity is decided by Chinese national culture, and complexity refers to large varieties, wide ranges and considerable quantities. Sociality means that food safety problem is a professional problem while it becomes the focus of social attention which raises common concern of both professional and amateur. Ensuring not only facilitates the development of food industry itself, but also promotes urban economic development. In many cities of our country, food industry has become the pillar industry, and the development of food industry is very important to realize the sustainable development of urban economy. Therefore, food production and processing must be people-oriented, and food quality and health safety must be effectively ensured.

### (4) The establishment of urban public security system is the urgent demand of urban sustainable development.

The outbreak of SARS in 2003 brought an unprecedented impact on our society. It also made people realize the urgency to establish the public security system, and the fragility of the modern city. The urban crisis may happen at any time, and any emergency may become a disaster. To reduce risks and improve a city crisis bearing capacity, we must re-examine

our city public security policy, set up government crisis management mechanism and improve the government crisis management capability. Relying on a reasonable public health system and strict law enforcement, Hong Kong and Macao has weaved public health emergency response team and emergency management into basic public health work, which helped them to achieve sound accomplishments. After Fukushima nuclear leakage, the Japanese government enforced evacuation mechanism, which effectively reduced its impact to residents. Increasing public participation in the entire event processing and management through effective health education, psychological intervention, population screening, information disclosure and other means can effectively reduce impact and danger of emergencies.

### ***III. The response of urban public health safety events***

Urban public health safety events are directly related to public health, economic development and social stability, so it gets increasingly social attention. The government's capability of preventing and controlling public health emergencies has become major indicators to assess government performance and social progress. When a public health incident causes harm to public health, effective coping response system is essential to ensure rapid response, correct decision and decisive management, which can safeguard people's health, economic development, social stability and national security to the utmost extent.

#### **1. main problems of urban public health system in China**

Since the outbreak of SARS, remarkable achievements have been made in China's public health system, but it still lags behind the development of economy and other social undertakings. The contradiction between the health care service system and people's growing demand is significant, especially in Shanghai, a metropolis with large population and serious aging problem.

First, the public health system is unsound and the task to prevent critical illness is arduous. The basic principle of health work in China is to adhere to the prevention as the first, which is the primary task of health work.

Second, the mechanism of public health emergencies is not sound. In addition to the spread of infectious diseases, public health emergencies also include sudden natural disasters, major production safety accidents, as well as serious food poisoning. All of these require a city public health

emergency disposal mechanism for improving capability to handle public health security crisis.

Third, resident health needs is not adapted to urban medical service system. Although our urban medical service system has made a great development, there is still a big gap between people's health needs. The problem of medical treatment is that inaccessible and expensive has not been solved. At the same time, many large and medium cities in China are entering aging society, which leads to a significant increase in the prevalence of chronic diseases and growing burdens. With higher life expectancy and increasing prevalence of chronic diseases, the healthy life expectancy is decreasing. Traditional health system, which focuses on acute onset and treatment, cannot cope with the growing demand for elderly health services and chronic disease management.

Fourth, the urban health management system doesn't adapt to people's health needs. Medical and health resources in many cities are affiliated to different departments, industries and enterprises, causing city health department hard to carry out effective supervision on the medical and health resources of the whole city.

## 2. specific measures of urban health system building

First, the construction of urban public health institutions should be strengthened, and the protection mechanism of public health services needs to be improved. The construction of urban public health system supports public health system building, and a stable public health service investment and growth mechanism should be established with gradually increasing the proportion of total public health expenditure.

Second, public health emergency response mechanism should be improved, and health emergency treatment should be strengthened. Since the outbreak of SARS, according to the requirements in Regulations on Public Health Emergencies, many cities in our country have set up a health emergency treatment coordination mechanism, which clarifies responsibilities, establishes regulations, organizes coordination and standardizes emergency treatment. On the basis of above, it is necessary to further establish the emergency material reserve, security and training mechanism to ensure emergent management of public emergencies.

Thirdly, the prevention and control of major infectious diseases should be strengthened, focusing on control of AIDS, viral hepatitis, tuberculosis

and other major infectious diseases.

Fourth, emergency response network should be improved. The network command center for urban public health clinical center of infectious diseases and treatment need to be established and improved, networking the city emergency command center, so as to achieve the disease surveillance, prevention and treatment , and to further improve the urban infectious disease control and treatment capacity.

Fifth, the reform of urban medical system should be deepened, and the hospital management needs to be strengthened, so as to improve the quality of medical services. Since the national health care reform in 2009, the reform of urban medical service system has made some progress, but overall, the effectiveness is not obvious, there are many outstanding contradictions and problems. For example, public welfare has not been fully reflected in public hospitals operating mechanism, social resources can't be freely used in medical services, medical service lacks supervision, community health service development is slow, residents still have difficulty in accessing to quality medical services, and medical bills remain expensive.

Sixth, Shanghai, a large city with aging population, needs to increase its financial support to community health services, improve the existing community health service system, expand the coverage of medical insurance, in order to meet the urgent needs of the elderly health care and ensure accessibility of health care.

In the context of rapid globalization, we must consider the problem of urban security in the perspective of globalization: the crisis would happen in global level, the globalization of crisis spread, and the globalization of crisis early warning and response. With the increasing globalization of social and economic life, as well as a more open environment, China's economy is more and more integrated into the world, leading to more frequent international exchanges. As a frontier of China's economy, Shanghai is the experimental area of China's reform and opening door policy, opening a new chapter. It also works as the hot spot of global economic and cultural exchanges, and an important gateway to the China's development which urges its stability, security and sustainable development. When Shanghai integrated itself into globalization, the rapid development of foreign trade increased the pressure of port health, facing a new challenge of strengthening the monitoring and prevention of

infectious disease importation. It is also the responsibility of Shanghai, an international metropolis, to prevent domestic epidemic exportation. At the same time, in the process of rapid development of urban economy, the increasing population density of Shanghai has brought favorable conditions for rapid spread of infectious diseases, and the growing urban aging population has brought new problems and challenges to urban development and urban health service system.

In a broader sense, urban public security also includes polarization of the rich and the poor, psychological security caused by employment pressure, intensive social conflict, and worse social security situation and so on. At the same time, the change of age structure will also lead to the conflict between different age groups in the sharing of social development resources.

Above all, as a performance of social progress, urban development is protected by urban security. In order to improve the public safety factor, it depends not only on the subjective efforts and scientific decision of the city management, but also on the cultivation of citizen's safety awareness and cooperative spirit, and sustainable production and life style, fair and harmonious social system arrangement.

*Translator/ Wang Hui*

# Financial Innovation and System Construction as Catastrophe Risk Responses

Xu Xian, *Director of China Insurance and Social Security Research Center at FDDI*

## ***1. Tracing to the beginnings to reduce the impact of catastrophes***

China is a country with frequent disasters, with 70% of its cities suffering the attack of natural disasters like flood, typhoon, earthquake, etc. Those catastrophes have caused great financial losses that to an extreme extent encumbered the progress of economic growth and urbanization. However, rational risk management can reduce the impact of catastrophes from the very beginning.

### ***People's Participation Reduces Catastrophe Risk at the Source***

The management of catastrophe risk should draw people into decision-making. There are two reasons:

Firstly, the catastrophe problem is a disaster problem, and it is a regional issue. For instance, 85% to 90% of victims of an earthquake are saved by their close neighbors, whose participation have congenitally expedited the rescue; since people of the disaster area knows well about local circumstances, encouraging them to involve in the discussion of post-disaster problems and think beyond the single community will contribute to the reduction of catastrophe risks.

Secondly, it is important to distinguish clearly between the primary and secondary participation in risk management, and response to the rescue work in a top-down approach. It is also necessary to ensure the full public participation and motivate mutual interaction between inside and outside participants, based on the combination of government and the people.

## ***2. Applying financial tools to response to catastrophe risks***

In the process of dealing with catastrophes, catastrophe insurance has always been the traditional choice. During the practices, we have gradually probed a set of new approaches, developed new ideas, expanded new markets, utilized new methods, and exploited new channels. The detail is introduced as follow:

### ***New approach: index insurance quantifies catastrophe risks***

## Introduction>>

In recent years, catastrophes happen frequently in China, causing serious economic losses that have slowed down economic growth and urbanization. To reduce the impact of catastrophes, on one hand we can take control from the source and introduce people to participate in decision-making; on the other hand, we can apply financial approaches.



Index insurance refers to using quantity computation to quantify the so-called coping strategies for reducing unnecessary costs. The primary advantage of this approach is that with index serving as a trigger point, it can reduce moral risks and adverse selection of traditional insurance. Besides, it doesn't require rapid compensate in accordance with actual losses within the first hours of the catastrophe. Until now, most design of catastrophe insurance system adopts index compensation mechanism.

In programming the index model, the first thing is to get rid of complicated factors so as to ensure the availability and integrity of the data. It allows us to analyze relevant information of natural disasters and the losses from an overall perspective. Thus we can gain a general knowledge of the distinguished vulnerability, disaster categories, ability and risk exposure of different areas when they face natural catastrophe.

Building a parametric insurance accounting system based on those data can not only convince people to add insurance to events with high risk probability, but also can relief the insurers from the burden of point-to-point loss assessment. They can just refer to relevant major parameters to verify the losses, which can raise the compensate efficiency. Unfortunately, parametric insurance is now of low applicability and its validity is strongly depending on previous data collection of a certain disaster and its target losses. In addition, the degree of relevance, parameter and correspondence is still under consideration and assessment.

***New ideas: dispersing and layering the commercial insurance and securitization of catastrophes***

Number one, the dispersal mechanism of commercial insurance aiming at catastrophes includes direct insurance, reinsurance and securitization of catastrophes. It is built on the basis of calculation, which require make an assessment according to losses of possible disasters in different areas across the whole country and make pilot projects.

Number two, the layered structure is a mature experience practiced by the international society for catastrophe insurance. Different layers have different functions, set up different proportion of risk distribution, and contract different triggering conditions.

Number three, catastrophe securitization severs as a new-type approach of risk diversification, through which capital flows to markets to take risks. It has three major stages: oversea establishing and issuing; oversea

establishing but domestic issuing; domestic establishing and issuing.

***New market: insurance asset securitization helps catastrophe insurance to thrive***

Our country has a multi-level capital market, including stock market ( main board market and growth enterprise market), internal financial futures market, regional equity market, and private market. In the quotation system of private market, insurance companies are major participants. The quotation system has provided a valuable stage for insurance asset securitization,

Insurance companies can use their money in the quotation system in private market for investment in innovation ( of products that related to catastrophe insurance securitization), for client agency, and for project display, etc.

Nowadays catastrophe insurance securitization in our country is gradually promoted. The SAC (Securities Association of China) has signed relevant agreements with Insurance Institute, and has established a special research team to design the next step to strengthen experiments and popularization.

***New method: forward contract and capital financing of tax fund pool***

Different countries suffer from different catastrophe risks which causes interactive changes to life risk. We can assume the different death rate based on this linkage change, and after observing the data we can conclude that there's an oriented correspondence among those death rates. As a result, we can use one country's death rate to speculate another ones. The specific financing operation are as follows: using the contract as a way to offset one's losses in one country by his earnings in another country, which equals to a forward contract that reverses the risk exposure and the actual situation and forms risk hedging.

Another financial approach is to build an available capital pool based on taxation. Insurance companies don't have to pay taxes at the end of every year. Instead, they can pay taxes when it comes to an end of a certain period or a contract term. When a catastrophe strikes in a long term like twenty years, the insurance should compensate, but if it happens within certain fixed critical point of death rate( like 0.9%) , then the company doesn't have to pay the tax.

***New channel: Internet insurance scenarios push forward catastrophe***

## *insurance*

What's the definition of Internet+ catastrophe insurance? Government insurance and financial institutions use the Internet to complete organizational management of catastrophe protection and provide the whole people with products and information service related to catastrophe insurance——Internet+. Until now, our country has met all the requirements for Internet+, for instance, favorable Internet market, great attention, and mature development of the whole industry.

The basic framework of Internet+catastrophe insurance system mainly lies in using computer techniques like the big data, cloud computing, and information flow to encourage people to participate in solving the unsustainable development of government-undertaken mode under the traditional insurance system. It bonds government, private enterprises, and financial institute together to take part in new Internet system and commercial activities. It aims at protecting consumers.

In this mode, each of the five major participants is required to play their own roles. The first participant is the government. It should build the legal system; purchase catastrophe insurance products and establish catastrophe risk fund because of its double statuses as initiator and contributor; release plans for catastrophe risk diversification; and enact tax preference policies to arouse people's enthusiasm of participation. The second participant is commercial insurance institute. Its responsibility is to create relevant products and to apply insurance tools in risk diversification and protection. People are the third participants. They should voluntarily accept the government guide and take an active part in the plan of raising supplemental security amount and diversifying catastrophe risks. Or they can participate in the investment of catastrophe bond and stock products as individual investor. The forth participants are supporting financial institutions. They offer protection for catastrophe risks of middle, small and micro business. The last participant is the third-party platform, whose major duty is to maintain daily exchange platform.

The practice process has two major points. The first one is to ensure the mode of government leading and public participating. It has several steps. Firstly, the government leads the planning mode and guides to set up a fund for catastrophe risks. Secondly, the government releases some relevant policies that benefit the public and encourage people or social enterprises to take part in the risk dispersal mechanism. Thirdly, it is

advisable to build a daily operation system while referring to the type of system in insurance exchanges. Fourthly, to guarantee that each insured accident is able to get favorable coverage and people who have already get coverage have access to relevant compensation.

The second point is the pattern of market operation and market observation. Marketization means to accept social with the utmost transparency, set up information issuing platform, bid inviting platform and trade witnessing platform for catastrophe insurance. The ultimate goal is to establish fund releasing and retransaction platform and online disaster prevention platform.

### ***1. Institutional Construction as a Way of Managing Catastrophe Risks***

Refer to the risk prevention experiences of surrounding countries and regions and explore the way to build the catastrophe insurance system.

#### ***ASEAN way:***

Goldman Sachs believes that reinsurance companies' business mode need immediate improvement for it is of extremely low reliability and is considered as sunset mode. Unless reinsurance companies effectively test their risk exposure, Goldman Sachs will not offer products and obligation related to reinsurance business.

Recently the ASEAN members are trying to establish a reliable, enduring conservation finance system to guarantee its economic growth. They are commonly short of sufficient capital, which means they can't obtain rational insurance premium from enterprises and consumers. Thailand is a typical case: the three largest insurance companies are reluctant to take the country's business or they would like to increase extravagant insurance premium. The Thai supervisor put forward the basic framework of ASEAN Community, which provided preferential condition and prices by investing in pre-disaster risks.

### ***Catastrophe Management Development in South Korea: the Transition of a Case and a New System***

South Korea is an agricultural country. It depends on family or communities' risk sharing while large insurance companies and capital markets also take part in. When a catastrophe comes, the government lays down a regulation and supervises on its execution and absorbs the consequent risks at the same time. However, the executive power of its

law is still weak.

Speaking of the sunken accident of SEWOL ferry, according to the contract, the insurance company had no responsibility and the final compensation should have been dominated by the government. However, considering social opinions, the Korean had to make the insurance pay for this accident.

Take the above-mentioned accident for example, it can be said that Korea has suffered from frequent accidents since the 1990s. One reason is that its modernization process has been extremely compressed; the other one is that the whole society is still tacitly approving and selectively ignoring catastrophe risks, which are usually called as non-boundary risks or dim-boundary risks. The probability of an accident multiplies by the expected loss is equal to the risk. The probability is always assumed greater than Zero, so if the expected loss is infinitely great, it will definitely cause a catastrophe.

The Koreans have weak consciousness about risks, and has no strict judicial rule and penalty system. Therefore after disasters, the Korean government set up new department to enhance education of disasters, and also used government financing and social investment to promote a catastrophe insurance management system. Although nature cannot be controlled, law, culture, economy and technique can affect people's knowledge attitude and behavior toward risks. Enhancing law, cultural, economic construction and elevating technical level enables the country to face disasters more effectively and to realize the sustainable result-oriented development of catastrophe insurance.

### ***Experience from Taiwan Insurance Industry: talking from the response***

Taking catastrophe insurance for example, the role of government is not limited to when the catastrophe strikes, and more important role of government is to help to make market regulations. From Taiwan's practical experience, insurance institutes usually put forth efforts in following respects:

Firstly, insurance companies analyze the losses and rate through cooperation with universities and research institutes. Secondly, they could cut down the clients' risks and control the companies' risk through some damage-prevention system with the idea of serving clients. Thirdly, to offer basic premium rate. The companies exploit risk rate by building an

assessment model of natural disaster. They also play an important role in guiding clients for risk management by product-design fee rate system. On the one hand, it lowers the price of premium rate; on the other hand, it applies the method of re-insuring to achieve risk transfer, using tools like ART and PPP.

Moreover, the countermeasure of catastrophe risk should be analyzed on three levels. First of all, general commercial insurance should be offered to individuals and companies, for the rate of purchasing individual catastrophe insurance is relatively low and the companies usually require risk management. Some countries and regions provide micro insurance aimed at natural disasters. For instance, Taiwan, Japan, New Zealand and Turkey all have established earthquake insurance funds; the U.S. has set up residence-flood prevention and reduction system, and Hawaii and Florida have established relevant funds; Thailand and France also have insurance system for natural disasters. Secondly, the great earthquake stroke Taiwan in 1999 caused economic losses at NT300 billion dollars, while only NT20 billion of the losses were insured by commercial insurance ( company underwriting), which was a very low coverage. Besides, Taiwan adopts single premium rate for earthquake and the insurance against total loss only. However, since typhoon and flood risks have great regional differences, the popularization of single premium is not feasible. Thus parametric type of catastrophe bond is not suggested for its calculation errors), and the loss-compensation type is highly recommended. Thirdly, risk assessment model is in badly needs. The insurance center cooperates with universities for setting up assessment model of earthquake, typhoon and flood risks and offer referential premium rate for commercial insurance of natural disasters.

***The Construction of Shanghai Finance and Insurance Center: the Establishment of Catastrophe Risk Protection System in China***

Catastrophe risk has an important significance for China, therefore it is imperative to build catastrophe insurance system. Catastrophes influence causes great damages to one's personal life, directly and indirectly. As a consequence, it's of vital importance to set up catastrophe insurance system, which meets the requirement at national political and market level.

Traditional disaster management system in China has distinctive features. The history of development is decided by its administrative system:

distinguished forms of disaster management bring about distinctive government administration departments. When disasters come into being, the central government mobilizes the resources, while Ministries of Land and Resources, Water Resources, and the Seismological Bureau, Oceanic Administration, and Weather Bureau share the administrative authority. It underestimates the power of market, leaving them with less than 3% of responsibilities. The government exercises strict budget overlooks the institution-building, pays attention to post-disaster reconstruction but neglect management before disasters, salvation amid disasters, and insurance compensation after disasters. Vulnerability still exists in its risk prevention system.

There are three significant benefits of building finance and insurance center in Shanghai:

1. The construction of catastrophe system plays an important role on the development of insurance industry.
2. Shanghai has a special status in China. It was proposed to building shanghai as international insurance center in 2014, one of whose supporting points is establishing catastrophe insurance center. Thus the securitization of catastrophe risks is required to be foundation. As the financial center of China, Shanghai has a fully developed factor market, which is an apparent advantage. And based on this ground, it can use tools of catastrophe risk securitization to allocate risks between capital market and investors.
3. The development of catastrophe insurance requires a complete exterior legal environment to ravel out referred subjects and interest relationship. We should start from the top-down design, specify rights and obligations of all parts and realize the long-term, stable operation of this system.

In addition, we should top the effect of the insurance exchange. We should insurance exchange to play a role, which facilitates the comprehensive development of catastrophe management construction by using all kinds of financial tools. And we should set up the mechanism of risk-taking comprehensively, involving government supports and efforts from all sides. We should also cultivate talents of all majors to satisfy the development of multi-formal insurance. The Shanghai government should base on pushing forward the progress of talent accumulation, internalization, marketization and legislation to capture the opportunities as a pilot site and contribute to the reformation and construction of catastrophe insurance system.

*Translator/Dong Xin*

# China Development of Social Efficiency and Construction of Social Governance System

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China's development of social efficiency, the public's satisfaction degree with the development of China, which is a comprehensive description of the economic growth, political stability and people's happiness, reflects the effect of China's social governance. Based on research and analysis on China's development of social efficiency, in combination with discussions during Shanghai Forum, this paper aims to study China's construction of social governance system and put forward suggestions for Shanghai's innovation of social governance.

## ***I. The Current Situation of China's Development of Social Efficiency***

The Research Center of Communication and National Governance at Fudan University issued "2014 annual China network social development efficiency index report" on the basis of long term tracking of Sina Weibo users covering multiple professional and social groups which measured Chinese Internet users' sense of security, comfort, identity and development. The Center combined the report with discussions concerning Internet governance and cyberspace in Shanghai Forum and found that China's development of social efficiency has characteristics and hidden problems as follows:

***1. China's network social development efficiency is positive, showing a trend of strong development and strong recognition. But there is tendency of public opinion orientation and irrational expression.***

The analysis of data on China's development of social efficiency shows that China's network social development efficiency is positive. Rationality is increasing in power and has been in dominance. But today's Internet media is based on social media, where selective recognition is intensifying users' bias. On the whole, Chinese netizen shows recognition in terms of existing systems and social conditions, has a fairly good experience in the aspects of safety and comfort, and also shows confidence in the future of individual and social development. Four two stage indexes are all positive, with identity index ranking highest, followed by the development index,

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China's development of social efficiency, the public's satisfaction degree with the development of China, reflects the effect of China's social governance. It is of great significance to build up a social governance system with people's livelihood as its value orientation and diversified main-bodies' involvement, to innovate ways to resolve social conflicts and to improve public safety system. In the case of Shanghai, the government should strengthen basic level construction to meet people's needs for public service; enhance the construction of people's livelihood security system to protect and improve people's livelihood; improve urban security system to maintain social stability.



while safety index is the lowest, showing a trend of strong development and strong recognition.

***2. Chinese Internet users' overall evaluation of existing systems is positive, with a strong sense of political trust. But it needs to be more based on China's issues.***

In recent years, the outbreak of many group conflicts has been attributed to the conflict between the people and the government. As an important expression channel, however, the Internet seems to be filled with negative emotions and evaluations of the government, which may be one of the reasons causing the negative energy of the network society. But the index of China's development of social efficiency indicates that the public's social political recognition is on the whole positive, which means Chinese Internet users have positive overall evaluation of existing systems, relatively high recognition and a strong sense of political trust. The discrepancy of political recognition index among Internet users of different regions, generations and influence is not significant, while gender and social group type have great impact on it, with lower political recognition index from male group and the bottom of society. On the Internet, there is a structural defect on social issues, which is probably an element leading to negative emotions of netizens: people's concern and discussion of social topics are not really grounded on China's national condition, but rather the specific events, so it is easy to create a gap between the government and the people in the process of information dissemination and development and hard to form a consensus on specific issues.

***3. China's network society shows a limited positive efficiency. The social security and the environmental comfort need to be improved, the social group gap needs to be reduced***

China's network society shows a limited positive efficiency but still need to be improved. On the one hand, the social security and the environmental comfort indexes are negative, on the other, the bottom of society generally show negative social efficiency, and the social efficiency varies significantly between different gender and social groups. One trait of current social pattern is intergrowth: the intergrowth of various stakeholders with different value appeal. Sustaining positive social efficiency is needed in public opinion guidance, economic development

and social stability. This calls for the government to give full play to the social strength of different classes and groups in China.

## ***II. Construction of social governance system with people's livelihood as its value orientation***

From the results of China's network social efficiency survey, we can see that the improvement of social efficiency depends on resolution of problems concerning people's survival and life as well as narrowing the gap between different social groups. It means that China's social governance should innovate its system with protection and improvement of people's livelihood as its value orientation, so as to ensure social security, protect people, especially vulnerable groups of social interests and interest expression rights, and promote social equity and justice. The construction of China's social governance system based on people's livelihood includes:

### ***1. The construction of a social governance structure with diversified main-bodies' involvement***

Chinese traditional social structure is dominated by the government and the public's social involvement is very low, hence the social structure resulted in a highly centralized social management system. With the transformation of economic structure and social structure, the government failed to provide a full range of public products and services because people's social needs are increasingly diversified. At the same time, diversified stakeholders emerged in the course of social development. The social groups with mainstream public opinion hold social resources and the right of discourse. Therefore they have affected the fairness and equality on the government's distribution of public goods and services. We can include from that that social governance relies on not only government management, but also social organizations' participation to ensure the comprehensiveness, fairness and equality in offering public goods and services. In network society China should learn from the US in following three aspects: firstly, partnership for public service; secondly, socialization; thirdly, cooperative ability between various levels. It is a weak point as well as a basic aspect in our Internet society. Thus social governance should form a pattern led by the government while participated in by multiple social organizations and residents.

On the one hand, the government should actively support the growth of non-governmental organizations as a bridge between the government and the public. The development of China's current social organization is still relatively slow, and the government should adopt tax incentives and financial subsidies to support them. At the same time, the government should relax the restriction of social organization activities, support economic cooperation organizations and interest expression organizations for vulnerable groups in order to improve people's livelihood. On the other hand, the government should guide the citizens to participate in social governance, safeguard and protect their legitimate rights and fundamental interests. At present, China's public participation in social governance is still relatively low, the government should strive to perfect the regulations, foster public awareness, innovate the organizational system of citizen participation in social governance.

## ***2. Innovate the system of resolving social contradictions***

China's social development has brought about new social contradictions, and the source of those contradictions is people's livelihood. For example, uneven income distribution leads to low income groups' demand for basic social security and an even income distribution system; slow development of social undertakings leads to people's demand for education, culture, health care, sports and other public services; Household registration system leads to floating population's demand for equal treatment with local residents. The solution of those contradictions depends on the government's reform and innovation of the existing social system. The government should improve the social stability risk assessment mechanism of major decision making, improve the hearing mechanism of cases for administrative reconsideration and mechanism of solving people's reasonable demands timely, so as to innovate the system of preventing and solving social conflicts effectively. However we should note that the thorough solution of social contradictions lies in institutional reform and innovation including: the government actively promote financial transfer payment system, social security and welfare system and household registration system .

## ***3. Improve public security system***

At present, Chinese society is facing an unprecedented, multi - level, multi - domain and diverse social security problems. Some highlights are

frequent occurrence of large scale mass incidents, food and drug safety incidents, work safety accidents and fraud cases, strong social hostility and continuous rising of violent terrorist incidents. Those safety problems have greatly hindered the development of China's social efficiency. It is urgent that the government establish sound social security, food and drug supervision, safety production management, disaster prevention and mitigation, network and information security systems.

Besides, with the fast development of information technology, the protection of public security is no longer a simple combination of relevant departments. It calls for government departments to take into consideration information dissemination, conduct risk assessment of security incidents in light of the scope and effect of information dissemination and adjust emergency plan, and establish a three-dimensional, dynamic public security system.

When we observe the efficiency index and the Chinese society through the network society, we can foresee the development of network management and expect a better public security system. Both the participation of multiple institutions and the existence of power dependence between various groups will change our original concept of social governance. But no matter it is central government or local level, the rule of law itself, as governing means, should be more legalized and transparent.

### ***III. Suggestions for Shanghai's innovation of social governance system***

In the report, Shanghai's combined efficiency index is higher than that of Beijing and Guangzhou, indicating relatively good positive efficiency. But as a special city with the largest urban population, there are a lot of problems in the course of its development. The following aspects should be implemented realize the innovation of social governance according to this paper:

#### ***1. Strengthen basic level construction to meet people's needs of public services***

During its development, the layout of Shanghai's urban and rural area has been dramatically changed. The center continue to expand outside the boundary;; a variety of community forms came into being in suburban area; the hollow phenomenon appears in exurb area. Those phenomena lead to serious public service deficiency, which urgently calls for

innovation of social governance based on the actual situation at the grass-roots level. Shanghai Municipal Party Committee put forward “innovating social governance and strengthening basic level construction” as its major research topic in 2014. The research found that public services and management provided by Shanghai city government was severely absent in partial area and realm. Community governance and autonomy level is not high; mobilization ability of social power is not strong.

Currently, the Shanghai municipal has issued a paper, “Opinions on Further Innovating Social Governance and Strengthening Basic Level Construction”, and six other supportive documents including deepening the reform of street system, improving the management system of residential areas, improving village level governance system, deepening and expanding grid management to improve the city's comprehensive management effectiveness, organizing and guiding social forces to participate in community governance, and regulation for community workers management. Those documents are launched with the goal to resolve some serious problems like settlement of street mechanism, construction of grass-roots forces, governance resource allocation, and basic fund of primary-level organization reaching the minimum. The above policies have yet to be tested in practice. At this stage, the government should encourage and promote innovative practice of grass-roots level social governance to provide empirical support for theoretical research. Secondly, we should establish evaluation system of the public services in basic level construction, in order to inspect the effect of social governance in Shanghai and constantly adjust the implementation plan.

***2. Strengthen the construction of the people's livelihood security system, to protect and improve the livelihood of the people***

At present, Shanghai has some outstanding problems such as high prices, high housing prices, high medical expenses, structural unemployment, the huge gap between the rich and poor, a lack of pension facilities and services, poor community environment etc. Therefore, the Shanghai municipal government should stabilize the market price with the use of market regulation and government control mechanism and improve the livelihood security mechanisms to cope with rising prices; expand the coverage of affordable housing orderly and improve the supporting services around large residential communities; carry out policy guidance

and create employment opportunities for college students and disability groups; accelerate comprehensive reform of public hospital system and promote the combination of medical care and supporting of the old; press forward the reform of income distribution system and improve the social security system.

***3. Improve the urban security system, maintain social stability***

The stampede in December 31st, 2014 exposed the problems in the existing urban security system in Shanghai City. They are the government's under-assessment of urban development and security risks, institutional defects in organizational security system, insufficient allocation in multi-level security forces and so on. On the one hand, it depends on the government to improve the urban spatial layout, take a full consideration of the bearing capacity of urban key areas in order to improve the construction of governance infrastructure. On the other hand, the government should improve the security system, establish a sound security monitoring system, develop a scientific security process, and strengthen the construction of security team.

*Translator/Zhao Chengmei*

# Addressing the Interest Appeal of Different Groups for Ecological Balance of Internet

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1. Understanding the appeals behind public opinion, and addressing the benefits of different groups. What behind the public opinions is true appeal of people, and what behind the netizens are citizens. Nowadays, multiple appeals between left and right has arisen on the Internet. They are all the emotions and activities of real social groups. Today, we should change the supervision of key words and sensitive words, which are just emergencies happened one after another and behind which are real cyber groups. And opinion leaders are just representatives of various cyber groups. We should turn to social governance, i.e. we should understand the implications of articles online look upon the interest appeal of different groups. to allow a more transparent and equitable interests of the game.

2. Being alert to big V netizens (verified weibo users who have more than 500,000 followers) and netizens expressing their opinions cross the bottom line, including middle V netizens. Big V netizens put forward an idea that we should tolerate expert netizens and clean the suggestions in the field with which we are familiar. We should be alert to big V netizens and those netizens expressing themselves cross the bottom line. Some investment experts and real estate tycoons are economic experts, but they always discuss political issues on the Internet and even legal issues with a high threshold. This is not the impact of the ten million fans to get a certain extent, but, to some extent, it indicates the network public opinion bubble. The good news is that some big V netizens have quit from the Internet due to drugs and many other negative reasons, which is benefit to rebuild a rational Internet system. Meanwhile, some positive opinions about middle V netizens should be treated rationally. The key opinion leaders online like Sun Xiao are reliable. A teenage with five-stroke armband at Wuhan city read People's Daily at seven years old and watched Network News Broadcast at four years old. At that time, Sun Xiao, as a famous teenager expert, said that the society could critic his parents but should not expose this child to the public.

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the author thinks the ecological balance of Internet can be built up from seven dimensions. 1. Understanding the appeal behind public opinion, and addressing interest appeal of different groups. 2. Being alert to big V netizens and netizens expressing their opinions cross the bottom line, including middle V netizens. 3. Optimizing the composition of new-media talents, and improving their comprehensive knowledge literacy. 4. Paying attention to vulnerable groups and enhancing government support, especially guiding more education resources. 5. Enhancing the political guidance and absorption of new-media figures to lead them from marginal to mainstream. 6. Shifting cyber governance to social governance and

3. Optimizing the composition of new-media talents, and improving comprehensive knowledge literacy. With no exception of traditional media, newspapers, magazines, radio and television are all been supervised very tight. The Party supervises the cadres and the propaganda tubes, but they all have opened their micro-blog and we chat. The influence in the new media has surpassed the traditional media. The supervision in the new media is not so strict that sometimes the unconfirmed news will be released indiscreetly, which blow up the certain extreme emotions. The audience positioning of micro-blog and we chat cannot be the same. The talent composition of traditional media is relatively ideal while the new media suffers serious deviation. The knowledge structure of micro-blog, we chat and many central media department is quiet simple. Many news reports are very professional, but the netizens of traditional media and weibo, wechat are very savvy without medical, legal and other qualifications. Without strict training and restriction of the process of traditional media, they are easy to be tainted with the habits of spreading rumor and aggressiveness.

4. Paying attention to vulnerable groups, and strengthening government support. Public intellectuals are whom people are concerned about. Personally, it should be considered from two perspectives: as the expectation of General Secretary Xi to democratic parties last year, public intellectuals are hoped to offer more wise advice and practical suggestions. For the lawyers and media practitioners, on the one hand, they safeguard the judicial justice, on the other hand, they ballyhoo out of the court. Some people, including media practitioners, are apt to express their opinions in we-media carelessly. Some facts have not been released from their work unit, however, they just make them public in the We media. Without strict review and restriction of the press process, the truth can be easily distorted. Former Premier Zhu Rongji said, since 1998, as many as 27 million workers had been laid off from State-owned enterprises, which is 10 million more than the educated youth returned to the countryside of 17 million. At that time, it gave birth to many works of scar literature, including *A Storm Is Coming Tonight*. Ten million more than the returned youth, until now there is no work of impressive literary to reflect their voices. Today the appeal of these vulnerable groups is real. But they are not trained in modern scientific education, and also do not understand the universal value. They pick up political terms at Culture

scientifically looking upon the purpose of cyber governance. 7. Encouraging netizens of micro-public welfare, and guiding active transition of teenagers.



Revolution and use revisionism and the idea of Gang of Four to judge the unfair competition and judicial injustice of today's market reform.

5. Encouraging micro-public welfare to be a benign guidance for teenagers. The government should give special encouragement to micro-public welfare netizens like Deng Fei. At that time, Deng Fei recorded the disadvantages and shadows of the society, such as the self-burning caused by the conflict of housing demolition and relocation. Recently, Deng Fei has shifted his focus to free lunch and insurance program of critical illness, which represents the active transition of teenager. Chinese society still needs that constructive gesture. Deng Fei has a best seller book named "Change China Softly". I think we should advocate a strategy that making improvement softly among the new-media stuff and netizens.

6. Strengthening the political guidance and absorption of new-media figures to guide them back from marginal to mainstream. The more marginal, the more aggressive it will be. As a result, they have to be introduced from marginal to mainstream, and be provided with the opportunity to take to related government agents and departments. We should try our best to pull them from social media to professional media. From Twitter to Weibo, commercial newspaper, national party newspaper, national television station and mainstream media, the communication with mainstream society can reduce internal friction in society. We should also eliminate occupational netizens, which is to allow our netizens to have a decent and stable income. Occupational netizens are caused by the mentality of refugee with antagonism while the middle-class is much more constructive. We should also encourage the suggestion in the profession fields and professional middle V netizens. China is in the transitional period, and many contradictions are not unilateral problems of the government. The whole society should work together to solve those complicated problems. Internet should not pay too much attention to the top design. We should guide and care about the improvement of the community from the nearby social improvement. We should also open professional media. Under the pressures of we-media, we should tap full potential of professional media that dig out the truth, have scientific and professional networking resources, and rationally analyze the social realities so that we can reduce pressure from the network. Do not overestimate Internet we-media. We have hundreds of millions of Internet users as citizen journalist a few years ago. But from the MAS MH370

event, by far valid information about lost, I'm afraid, is no more than 1000 words. Today we still need professional media counter Internet we-media. Press and publication management department should give more freedom, and the public opinion pressure of the National Network Information Office will be much smaller.

7. Shifting cyber governance to social governance and scientifically looking upon the purpose of cyber governance. Local governments usually focus on the hot spots of Internet and quick resolve of pressure of public opinions. But we should also recognize that Internet is the outlet of the society, which is not the quieter the better. Sometimes if Internet is quiet, the street will not be stable. Internet reduces the people who appeal to higher authorities for help. And the opportunity to higher authorities will reduce the people go street to protest. All these are deeply felt by cadres at basic level. Internet should be an ecological system, which government should not play full role as the policeman. We should enable all social class to express their appeal through Internet which is a public platform, and form a transparent, fair and counter-conflict system of interest appeal and game. Left and right, in and out the system, and elite and grassroots, they all have the ecological balance. No matter which part is suppressed, it will not be good to the whole society. Internet should be supervised collaboratively. I think we should supervise the platform rather than the content and netizens. Developing Internet united front should balance the community, which has been explained in the Central Platform Working Conference. It is hoped that the Internet can make consensus and avoid cleavage. Internet is the best gift that God gives to the Chinese. We should promote the formation of citizen society. Sometimes, those netizens who get the power of speech at first are not willing to dialog under the same roof. Internet keeps us distance from citizen spirits. Today's network supervision should both show the sword and develop consensus at the same time. Showing the sword is to carry out the public opinion supervision, clear the harmful information, correct illegal speech thought. In the final analysis, we still have to develop consensus in the community. Internet is not a simple problem-solving department. Management of the fundamental purpose is to win the hearts and minds of people. In the final analysis, the management of network is to create a good atmosphere for 510 deep reform measures proposed at the two plenary session of the Central Committee to develop consensus in the community, to inspire national spirit, and not to exacerbate social tear. Social transformation,

which has not started or has just started, will fall into social ideological confusion and in the ideological disputes and mishaps of people. The so-called active Internet public intellectuals are at the low level of the knowledge pyramid, academicians of Chinese Academy of Social Sciences, Chinese Academy of Engineering, and Chinese Academy of Sciences, and the committee members are all not on the Internet. They may have their vest, but do not voice publicly, so their voice cannot be heard in time. As a result, we should channel more educational resources. The most valuable of the media is the professional periodical resources. We should build up the culture coating of the Internet, and cultivate the flexibility of the Internet culture.

*Translator/ Hong Kailun*

# Internet Governance in China

Wang Yukai, *Vice Director of Chinese Administrative Reform Research Institute*

China has entered the information era before the accomplishment of industrialization. Informationization and industrialization intertwine together, making the development of Chinese society more complicated. Without informationization there is no modernization, and without network security there is no national security. The way towards powerful Internet country is rather challengeable for China if without our own core technology. The threat from internet is much more serious than the threat from the sky, sea and land.

## ***I. The comprehensive challenges of China's Internet governance***

1. The network size and the amount of Internet users, mobile phone users, mobile Internet users, SNS users have all reached the top in the world, which brings huge challenges to the government. China is in the process of transforming into an information society. Although China's internet penetration rate is not the highest in the world, challenges emerge due to the huge population, that is, "five global NO.1s". Chinese internet users is the number one in the world, with over 700 million; Chinese mobile phone users is the number one in the world, with over 1.2 billion, of which there are nearly 700 million smart phone users; mobile internet users is the largest in the world; social networking and instant messaging tools is the number one in the world and there are more than 1.5 billion listed users of Alibaba, Sina weibo, Tencent wechat and so on.

2. The rapid development of Internet transactions brings huge challenges. Last year the total number of people involved in internet transactions reached over 300 million, the turnover of online shopping surpassed 3,000 billion, and the e-business turnover reached over 1.4 billion, all of which have pushed Chinese consumer internet to the global Internet market.

3. The participation, posting and events online bring challenges for Internet governance. The Qing'an incident in Heilongjiang Province indicates Chinese netizens' concern about social incidents.

4. The Internet illegal behaviors and crimes bring big challenges to

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With the process of informationization promoting the process of industrialization and modernization, Internet security is becoming extremely important. China's internet governance is facing comprehensive challenges: the large-scale network, fast-developing online transactions, increasing online illegal and criminal behavior under the poor internet governance.

national security and social stability, which include dissemination of false information, infringing personal information, etc.

## ***II. The problems of China's Internet governance capacities***

There are four main problems in the process of fast-developing internet and large-scale participation.

***First, the drawback of government administrative system turns out to be obvious.*** More than 30 sectors and government agencies follow the same rule to manage, which causes overlapping functions, inconsistent rights and liabilities, low efficiencies, etc.

***Second, the management of Internet media and Internet industry is far from keeping up with current fast-changing situations while the government lacks manpower and abilities to management.***

***Third, weaknesses of internet governance exist in reinforcement of network the legislative work and public opinion guidance.*** The inadequate legal system of internet governance hampers its further development.

***Fourth, lack of independent core technology restricts national Internet security.*** China has full control over computer technology system but neither software technology system nor micro-electronics system. China's technological research still follows American technological research, and technological ability is greatly constrained.

## ***III. Policy Suggestions***

Improving internet governance ability is an important means of becoming a powerful Internet country. Internet governance is a huge task, which could be addressed through flowing eight suggestions under the principles of active employment, scientific development, legal management.

1. Negative controls should be shift to an open policy on the basis of reasonable and efficient management on the promise of an open internet environment. There are more than 100 million people using proxy server to search the foreign website, which is quite abnormal. It is necessary to change this situation by establishing reasonable and efficient management.

2. The Internet governance mechanism should be established under the leadership of central network security and information leading group.

3. Regulations and responsibility mechanisms are essential for network security, network information, informationization infrastructure.
4. Policy consultation should play a role in internet governance issues. Expert consultative committee that should be established under the central network security and information leading group provides service of decisions and consultation concerning important problems on national internet governance and informationization. Based on computer network information management, we should employ various resources including experts of economy and management.
5. Introducing strict law enforcement in system. The new system is characterized by overcoming governmental private interest, building accountability investigation system and information approval system.
6. The concept of the rule of law should be combined with Internet governance assisting with necessary administrative means. Legal system cannot be replaced, and long-term depending on administrative means corroded good governance capability.
7. Cloud computing, big data and other new technologies should be comprehensively applied in coping with different situation. For example, the big data technology can be applied to establish a forewarning system on the content supervision, and set up a coordinated response system among different sectors based on it.
8. The collectively governance pattern should be constructed through renovating internet governance system and cooperating among social society.

*Translator/Peng Yue*

# Preventing the Risks of Cross-border Data Flows and Protecting National Information Securities

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## ***I. Background of Internet Data Security***

Data security in cyberspace has been brought up for a long time, and its importance is much valued nowadays. Edward Snowden has caused an international trust crisis which posed real challenge for the policies and laws in the international economic field. And this has brought an urgent demand for researchers and the academic field.

According to the statistics of daily Internet use around the globe and the relevant node, we can conclude that the cyberspace and the real world is highly simultaneous in terms of active time, and geographically speaking, it responds to human habitats. We can say that the cyber world is highly integrated with the physical world.

However, two shifts are resulted in the physical world's overall datamation. First is the realization of an intellectualized cyberspace, which includes mass mapping, control of physical space and prediction of the future; Second is the purification effect, which has more realistic sense and is probable with the development of technology.

In the process, Big Data has become a core strategic resource. The reasons can be summed up as follows: First is its openness. The exploitation and the opening of cyberspace data resources including the developing wave of the United States, started years ago. Second is the competition for control. The competition around the global data is becoming more intensive and the space structure is optimizing around the world. As countries have been aware of the global data resource as a competitive and highly strategic resource, they are eagerly taking control of data resources at home and abroad.

## ***II. Cross-border Data Flows and Jurisdiction of Data***

### **1. Three Elements in Differentiating the Jurisdiction of Data**

As data is a strategic resource, the jurisdiction of data has gained a relevant vital significance, which can be approached from three aspects.

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As the cyberspace grew gradually intellectualized and transformed the more realistic purification effect, the significance of the data security in cyberspace was highlighted. Big data has become a core strategic resource because of its openness and the competition for control. Against this background, the author analyzed the facts of cross-border data flows and the jurisdiction of data. He listed the elements distinguishing different data, proposed the two trends in response to managing data flows and the influence of data localization.

First is the jurisdiction in the broad sense. Google, for example, is certainly under the jurisdiction of the US in the broad sense. That is the core element. The second element concerned is the server. If Google has set servers in the UK or other countries, the location of the servers definitely affects the jurisdiction of data. Thirdly, the citizenship of the people involved in the data can play a role. If the data of an Indian is saved in a UK server, India may have some jurisdiction.

## 2. Two Trends in Response to Managing Cross-border Data Flows

The jurisdiction of data brings two major problems, the fast mobility of data and the local... Two trends are prominent around the globe when coming to addressing the two problems. On the one side is the US, who extols freedom and fluidity. As a pioneer of data who claims the majority of the core resource, the US cannot promote freedom and fluidity of data flows more, just like some economic organizations are prone to promote the importance of economic development. Unlike the US, India, Israel, South Africa and New Zealand, most countries are on the other side and for protecting cross-border data flows. After the Snowden event, the whole globe started to build a data security system. Russia, for example, promulgated laws in July last year to ensure that the operators store its citizen's data within its borders, and if the cross-border operators request cross-border data flows of a citizen, they must obtain a written authorization from the citizen. Because of the legal basis, the localized management has become acceptable around the world.

## 3. The Influence of Data Localization

In demonstrating the influence of data localization, the researchers at the US political research center revealed that if data localization be implemented overall, China will face a economic loss of 3 billion, including its international investment. In order to avoid such losses, the government can restrict on the corporate responsibilities rather than demand the operators to store the data in local facilities. Australia, Singapore and the Philippines are test on this. Internet in the future may be unlike Internet which is initially united, a locally facilitated mode instead may become popular.

### ***III. Advise on Policies of Chinese Cross-border Data Flows***

The US and the EU are advanced in terms of data security. Before the



outbreak of the prism, the two parties had deepened their cooperation, which included Safe Harbor Agreement and US-EU Data Sharing Deal, and the conflicts between the two will go through violent changes as a consequence of the globalized Internet. During the Prism event, the situation was rather tough, and EU ended the Safe Harbor Agreement and US-EU Data Sharing Deal. But the trust between the two is longstanding, and the Prism was only recent. When the US released big data, it gave special emphasis on the protection of its citizen's and its allies' information and facilitating fluidity.

From long run, the locally facilitated policies of cross-border big data flows adopted by China achieved dynamic balance. It has conditions and routes, and fits into the policies of data fluidity and exploitation. It is worth mentioning that the locally facilitating policy will play a role for a long time, especially in the core and strategic field.

Firstly, as one of the world's leading powers, we need to manage, acquire, and exploit data resources in a global context and explore how to manage data flows and hold dialogue with others.

Secondly, we should propel the innovation in data security and the industrialized development. Many of China's problems concerning information and data security are caused by our deficiency in safeguarding ourselves. The polarized policies may contribute to the dynamic balance and a protective mode as the technological innovation and the industrialized development take shape. The policies can be more open when China succeeds in uplifting its research and development

Thirdly, we should construct a strategic theory framework and actively promote the management of data security in an international context.

Fourthly, we should be cautious about the blockade that Chinese IT companies meet when going global. Some Chinese companies such as Huawei and Alibaba are upsurging, and these companies will become the developer and main applier of China's data resources. Our country should organize talents to analyze how to break the blockades of data security faced by these companies in the globalization process, and guarantee their safe travel abroad.

Fifthly, a basic requirement of national information security is that the data security and protection of private information must take the

people into consideration. Military powers is traditionally deemed as the principle guarantee of national security, but big data has become the basis of national information security as the age of big data is coming. It is an age values on building trust among the government, companies and people and mechanism for profit allocation.

*Translator/ Li Qian*

# Advices on China's Carbon Emission Trading Scheme

Li Jin,

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2013 has witnessed the inception of China's carbon market since it began to launch nationwide the ETS (Emission Trading Scheme) which is due to be set up in 2016-2017. And this project started from pilot places and will be rolled out nationwide.

## **1. Status Quo of China's ETS**

### **(1) The Overview of the Emission Trading Scheme**

Before 2012, the Emission Trading Scheme mainly consisted of UTES, EU or New Zealand. However, a growing number of developing countries joint in, making it a 35-country and 7-city combination. The global ETS taking up roughly 15% of the GDP and 48% of the population which can be translated to mean that two persons out of every five are involved in the Emission Trading Scheme.

### **(2) The Pilot Project of China**

**First is the coverage area.** China has set up 7 pilot projects, encapsulating the metropolitan Shanghai, Beijing and Shenzhen, which enjoy a dominating GDP and a developed industrial system, and the less privileged places, such as Hubei and Chongqing. Based on these 7 pilot projects, China aims to find a feasible way and roll it out national wide.

**Secondly is the individualized ETS.** Every pilot projects has embarked since 2013-2014 and set up its individualized rules, such as rate of coverage, distribution, data collection and regulations, featuring its own characters.

For example, since these cities and its belonging provinces have their own development features, the pilot place has accordingly adopted different limits on carbon-dioxide emission. They have taken in one billion of carbon-dioxide emission, lower than its European counterpart. But China's ETS system will exceed Europe's in the future. Many carbon intensive industries, like the power sector and the iron and steel industry, have been concluded, making China the second largest carbon market in

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In 2013, China launched nationwide the ETS (Emission Trading Scheme) which is due to be set up in 2016-2017. And this project started from pilot places and will be rolled out nationwide. To set up the national carbon emission system, China takes steps from pilot places building to un-pilot places incorporating, with the aim to make the system nationally covered. Besides, strict regulations and related infrastructure are entailed, such as CCER and standard and registration rules of the carbon trading market.

the world.

Another example goes like this. After two year's practice, most pilot projects find out their own pricing rules, among which Shenzhen has the highest price with its maximum of 113 Yuan and minimum of 20 Yuan. The pricing rule varies from the emission limit and the assessment, also subject to the time.

## ***2. China's Experience in ETS Building***

Many experiences and lessons have been gained in two year's building of ETS. The pilot project prepares China to build up its national ETS, outlining the rules and frames. The experiences China has gained are:

***Firstly, the necessity of China's ETS needs attention.*** In the past, China only resorted to the demand control to curb the emission, such as supply reduction. However, the government had to pay the price of shutting down the factories. But in today's ETS, corporations can trade their carbon quotas by distribution.

***Secondly, sophisticated policies and rules are entailed in every pilot project.*** Some rules have gone through the National People's Congress, which means the illegitimate operations will be heavily fined. Some other rules have also been approved by the government.

***Thirdly, practical measures should be synchronized.*** No data was collected at corporate level before 2007, nor were the corporations able to collect its carbon emission data. They found difficulties in calculating and reporting. Therefore, the pilot project has required the corporations to calculate their carbon emission and set up various MRV standards according to different industries.

***Fourthly, effective communication should be conducted between government and industry.*** The two parts have knotted good bond in the past two years. The newly fledged ETS entails Chinese government's good policies and the corporation adaptation, where the effective communication is a must, especially in the technical and political level. Technically, the two parts should collaborate on the surveillance, report and distribution of the carbon emission. Corporations hope their voice is heard by government, and their quota requirement and feedback are taken into account. The carbon management has make strides. In the past,

corporations or the industries as a whole simply centralized on efficiency, having no idea of carbon management and trading, whereas in the past three years many corporations have employed expertise for carbon management and regulation making. From passive obedience to initiative adaptation, corporation managed to control the long-term risk and conduct effective communication with the government.

***Fifthly, build a transparent carbon market and carry out regular product up-dating.*** The carbon emission trading market in essence is a market for exchange. Once legalized, it will unexceptionally have market effects. Therefore, many financial transactions were involved in this market in the past one or two years, such as carbon fund. This can be further conducted in the secondary market or make the carbon credits as a guarantee for bank loan.

### ***3. Policy advices for the construction of the National Carbon Emission System***

***Firstly, geographically expand the pilot place until it is integrated into the global system.***

***Secondly, the central and the local government take turns to encourage the un-pilot place to be incorporated in the national trading system.***

***Thirdly, more strict and effective principles and regulations are needed.*** The preparation of the emission trading system is being carried out in China. At the end of last year, the National Development and Reform Commission (NDRC) published a new interim regulation on emission trade. According to this regulation, China will establish a trading market at the state level from the central government to local ones. The former will take charge of the standardized and unified management, update the interim regulations and establish a stricter compliance system. On the basis of the regulations drafted by the NDRC, the National Congress is entitled to make regulations on a broader sense in order to punish the enterprises breaking the regulations more strictly and to establish a more effective trading system.

***Fourthly, the infrastructure development of the nationwide trading system should achieve the goals as follows:***

(1) CCER regulation, including the one of insurance and trade. In 2012,

the NDRC published the law and regulation of CCER. Two years later, China started the trade of CCER projects. It will compensate the seven pilot projects, and unified market guidelines will be published.

(2) The nationwide unified standards of China's future carbon trading market and registration system. In the future, the amount of carbon emission will be prescribed and allocated nationwide. Since last year, the NDRC has required the data report from provincial government on the major enterprises with the carbon dioxide gas emission of over 1300 tons, thus establishing the nationwide trading system.

The nationwide unified carbon trading system regulations include a management system of two levels, namely the central government and provincial ones. The former is mainly responsible for rulemaking, including the scope of the system, quota allocation and the amount of emission limit. The latter is responsible for the execution of the rules and the emission amount of major enterprises. Meanwhile, provincial governments call for flexibility to a certain degree. For example, if the project needs to cover more industries and enterprises, stricter rules of quota allocation should be made. They can be adjusted according to those of national level, and relevant compliance rules can also be made. If the enterprises refuse to report the emission data or to pay the fees by the data reported, heavy fines can be imposed on them in accordance with the rules.

*Translator/ Huang Ruixin*

# Improving the International Climate Cooperation Mechanism: the Essential Way to Tackle Climate Change

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It is necessary to deal with climate change by international cooperation. There are two goals of the UN in climate change solutions, one of which is to prevent harmful human activities from affecting the climate system, and the other is to enable our ecology system to deal with climate change naturally.

## ***I. Evolution of climate change negotiations***

Everyone should be encouraged to engage in this campaign. And because different participant bears different abilities, we need to ensure equity and mutual trust, that is, responsibility of seeking common points while reserving difference and same standard of ability recognition.

International climate change negotiations of the UN can be divided into three stages:

### ***Stage one: an exciting start***

An ambitious goal emerged in the very beginning of the negotiations due to the framework convention, according to which such a goal could come to realize at 1990s. At the same time, however, many participating countries felt over-stressed. In 1997, after the publicity of the climate framework convention, the progress agenda was concluded.

### ***Stage two: a depressing confusion***

The US showed an obscure attitude towards the above-mentioned progress agenda, and refused the agreement in 2001. Meanwhile, because the agreement reached in Copenhagen had no legal status, participating countries basically did nothing but recriminating and buck-passing in this period.

### ***Stage three: a good transformation***

A platform to discuss this problem was formed in 2011, mainly in the

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For a better international cooperation on climate change, following aspects should be concerned according to the author: firstly, developed countries should play a leading role while developing countries carry a relatively smooth goal; secondly, pre-arranged plans and adaptation measures should be drew up according to the demand of each country with a check over the INDC plan; thirdly, developing countries requires other countries' support and relevant incentive plan, and the transparency of action of each country should be enhanced; fourthly, relevant laws and regulations should be well constructed to build a strong system to constraint the obligations of each country.

hope of reaching a Paris climate change agreement. The entire agreement would develop an overall goal for the whole world, with the efforts made by the participants themselves, which presented the transformation of the climate change treaty or system.

## ***II. Advice on the international cooperation***

***Firstly***, developed countries should play a leading role in emission reduction, which is one of the two principals of climate change tackling, while developing countries only have duty of support due to their lacks of capability. However, if developed countries are required a quantitative goal of emission reduction while developing countries are not, their disproportional relationships would be reinforced. At the stage since 2010, developing countries also are participants of the protocol, so they need a quantitative goal too, which could be smoother than that of developed countries. There will be an atlas, which will show the rate of contribution of each country according to their contributions in the negotiations.

The reason why developed countries should play such a role lies in the following aspects: although developing countries now account for the largest proportion in carbon dioxide and greenhouse gas emissions, developed countries such as Russia and some eastern European countries have accounted the largest proportion during their transforming process. And data show that developing countries have now contributed more than half of the world's total greenhouse gas emission reduction, that is to say, developing countries will play a more and more important role in greenhouse gas emission reduction.

***Secondly***, pre-arranged plans and adaptation measures should be drew up according to the demand of each country. In the past 20 years, developed countries have made their own expectations in many projects, while developing countries have adapted to the domestic situations instead of providing those information. We have not made clear of their demands yet. The first one of the main points of the Paris climate agreement is to reduce the factors of human activity. Each country should write their own contributions in the contribution plan made by themselves, and put forward the work they should do based on their own ability. However, the emission reduction target cannot be easily achieved only by these plans. Hence we need to check these INDC (Intended Nationally Determined Contributions) plans to find out their differences with the real demands.



And these participating countries should explain the adaptation measures related to it in the INDC plan. In the specific implementation, we need international cooperation, especially between developed countries and developing countries.

**Thirdly**, we need to support developing countries. For them, a clear road map is required to understand how to have other countries provided support to help develop their own action plans and strategies; otherwise, they will encounter many difficulties without any help and support. Meanwhile, we should provide them with relevant incentive plan, and generate a relevant strategy to make those support-receivers make better use of it. This support is very important to constructing capacity, mutual relationship and transparency. For transparency, each country should have its own system, such as MRV (Monitoring Reporting and Verification) accounting standard. There is also an internationally recognized unified rule to ensure the consistency of the report made by each country.

**Fourthly**, relevant laws and regulations should be well constructed. The importance of law and regulation lies in its signal, especially for the bottom-up model. Different stakeholders will take reaction in accordance with the intensity of law signal, so we need a strong system to constraint the obligations of each country.

*Translator/Li Tianqi*

# *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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