he president of the European Commission, Jose Barroso, has just completed a visit to China, which this year celebrates the 30th anniversary of the establishment of diplomatic relations with Brussels.

Fifteen to twenty years from now the EU, enlarged further eastwards, more integrated and more independent, might prove to be the model for the governance of macro-regions, paving the way for a global political architecture that can cope with technological, economic and business globalization.

China 2020, a booming platform, will be the link between Eastern Eurasian sub-regions, Southeast Asia, South Asia, Central Asia and Northeast Asia. With this anticipation in mind, we now have to shape the relationship between these two matrices of civilization.

In the post-Cold-War world, the relationship between Europe and China has gained momentum. However, as the world dramatically changed for a second time in a decade in the fall of 2001, Beijing, a model for developing countries (paving the way to poverty reduction), and Brussels, a model for cooperation between countries (paving the way to articulate sovereignty and globalization), have to take greater responsibilities to work as the main architects of a cooperative Eurasia.

In the post-September 11 world disorder, the EU and China have to conceive a genuine strategy to act as Eurasia’s structuring poles, making them into the pillars, with the US, of a stable world order.

To face the challenges of this “grand chessboard”, Brussels and Beijing have to agree on a grand strategy. They have both the material and cultural resources to become sources of stability for our dangerous and volatile "global village".

Fundamentally, this will require a common foreign and security policy reflecting a united and independent Europe and conducted by a far-sighted strategist. In a move whose consequences in scope could be compared to Henry Kissinger’s “triangulation”, which restructured the strategic landscape, the EU would decide to massively support China’s economic development, to invest in trans-continental infrastructure projects - road, rail, energy, telecommunication, water management, and to lift the arms embargo on China.

With the handover of Hong Kong (1997) and Macau (1999), there are no more substantial disputes between China and Europe. In the process of globalization, trade is booming between a more independent and assertive EU and an opening China. Both Brussels and Beijing have clarified their intentions in official documents.

Beijing made an historic move: China in October 2003 released its first-ever policy paper on the EU. However, we can list some difficulties. Not all plain sailing.

Firstly, it has been difficult for the EU to arrive at a single common policy towards China; each member state has its own history with Asia, and especially China, and some of them have competing economic interests. Current issues can also be a factor of divergence - on human rights, for example, there are
different sensitivities among European countries.

Secondly, different interpretations can be placed on China's policy towards Europe. China's motives in declaring its interest in developing relations with Europe have evolved over time. Europe was first a counterweight to the Soviet Union, and then to the US. China repeats today that there is no "European card" any more. As Deng Xiaoping said, "I personally love to play bridge, but China does not like to play political cards."

Thirdly, the booming trade between China and the EU itself can be a point of friction. Even if in a globalized economy bilateral deficits do not mean so much per se, the Europeans complain and will continue to complain about their fast-growing trade deficit with China. The Chinese for their part will complain about EU trade barriers.

Fourthly, the highly complex Taiwan issue could be a problem in Europe's approach to China. There is a disproportion between Beijing's concerns (China's reunification being Beijing's top priority, second only to modernization), and the EU members' lack of a harmonized policy on such a crucial issue.

With these four points in mind it is easier to formulate suggestions to facilitate and deepen the relationship.

Firstly, Europeans need a greater collective presence in China. China should be a place, if not the place, for Europe to act cohesively, rather than as the sum of individual nation-states. Europeans could learn from the success of the China-Europe International Business School (CEIBS), which is widely recognized in Shanghai. It would have been impossible for a single EU member state, whatever its relative weight within Europe, to have achieved what the CEIBS did in 10 years. It is interesting to note that in its historic paper on the EU, China explicitly mentioned the CEIBS as a project of the greatest importance.

Secondly, China needs to have greater presence and visibility in Europe; it needs to explain its views, its specific difficulties and its achievements to Europeans.

Thirdly, to guarantee a sustainable economic relationship where frictions can always be overcome by negotiation, both sides have to create the conditions for genuine mutual understanding. Forums, exchanges between academics, joint projects in education, all would help to create a more mature interaction. This year is Euro-Japan people-to-people exchanges year. Brussels and Beijing have to learn from this to create a similar event between Europe and China.

Fourthly, Europe should work towards a comprehensive China policy which incorporates the encouragement of cooperation between China and Taiwan. The European Commission repeats that it adheres to the "one-China policy", but the EU is in fact managing two bilateral policies. On the Taiwan issue, while the US is a part of the problem, the EU might be a part of the solution. However, more than ever in the post-September 11 environment, the world needs more than a stable Euro-China relationship.

At the end of the 20th century, the Soviet system's disintegration was the main source of change in Eurasia. The USSR stood not only as one of the two components of the post-World War II bipolar order, but it was also the structuring political framework for a large part of the Eurasian continent in Central Asia. What we mean by Eurasia is the continental landmass conventionally divided into Europe and Asia.

The fall of the Soviet empire produced instability in the Caucasus, in Central Asia, the Eurasian Balkans, or uncertainty, in Siberia. But it also resulted in an urgent call to rethink and rebuild the general architecture of a post-imperial Eurasia. While this reorganization will have to be decided and engineered by the people living on Eurasia, it should not be an anti-American project. Beijing and Brussels have at the two extremes of the mega-continent to be the main architects of a cooperative Eurasia. Their partnership has to be subordinated to this global vision.

In Eurasia's far west, the European Union has enlarged eastwards peacefully and illustrates that economic solidarity can lead to a workable transfer of sovereignty which, in return, facilitates further economic integration for the best interests of the majority. The EU, a post-nation-state political experiment, shows a way to manage globalization on the European scale.

In Eurasia's far east, an open China is undergoing a "peaceful rise". Beijing made the choice of joining the world community, and is acting as a responsible rising power. This responsibility is the very condition of its continuous growth. China's economic development shows a way to poverty alleviation, one of today's main problems.

An enlarged Europe is coming closer to an open China, while Russia is creating the objective conditions to act as a genuine and constructive bridge. In the 17th century, German philosopher, physicist and mathematician Gottfried Leibniz already saw the potential complementarities between Europe, Russia and China - Novissima Sinica, but today growing interdependence on the Eurasian crescent is a reality.

The attitude of Central Eurasia's rising power, Kazakhstan, and of a democratic Mongolia - whose intellectual and political elite understands better than others Eurasian dimensions - complete also the picture of a Eurasian arc where a momentum for closer cooperation is gathering.

It is within that context that China and the EU have to act as two structuring poles of a cooperative Eurasia. While the EU is a model for cooperation between countries, China is a model for developing countries. They are potentially engines for Eurasia's stability and development.

Fully aware of this potential, a strongly united Europe and a post-Maoist China should make refocused use of the Organization for Security and Cooperation in Europe (after Japan, Korea, Thailand and Afghanistan, China should become a "partner for cooperation"); the Shanghai Cooperation Organization (the EU should become at least an observer); and the Asia-Europe Meeting (needs as soon as possible to include Mongolia and Kazakhstan).

Brussels and Beijing have to show by their vision and concrete actions that Eurasia has become genuinely post-imperial and that under the driving force of their common strategy they can become, with the US, pillars of a stable world order.

Reflecting on the relationship between Europe and China, it is ultimately necessary to take a real measure of their unique historical-philosophical contexts and to use these "invisible" factors to ensure the "visible" interactions.

China and Europe are cradles of two civilizations stretching back almost to the beginning of recorded time. They have both entered a new phase of their respective history, with China now in the post-Maoist phase and the countries of Europe developing a closer union among themselves. The two extremes of the Eurasian continent have a unique opportunity to find enough wisdom in their traditions to build a meaningful
relationship, the nature of which we are free to choose ourselves as we are not compelled by geographical necessity.

An analogy can help to develop such a relationship. We can think about China as the Far East’s Europe, and Europe as the Far West’s China. If Europe gave Western civilization most of its main features, China brought to Asia some of its central values. But like China’s history (let’s remember the Chinese novel Three Kingdoms, “After division, the empire must unite, after unification the empire must divide”), Europe’s history - since the Roman Empire - has also alternated between unification and division and, in this perspective, both Europe and China are more than nation-states.

To draw an analogy between the two regions does not mean that they are the same. We should see the differences between us as something which brings us closer. Why does Europe need to build a politico-administrative body to meet its unique common civilization? Why does China need to give more space for the expression of its internal diversity? How was it possible for Europe to guarantee individual freedom within a distinctive common set of values? How was it possible for China to ensure a continuous reinterpretation of its own tradition? The list cannot be exhaustive here, but it offers a perspective on how differences can be a source of synergy.

This work will lead us, Europeans and Chinese, not only to construct a relationship for ourselves, but also to build a meaningful relationship within a concrete multipolar world. There is something superior to the alternative between divergence and convergence. Not to diverge does not mean necessarily to converge. Westerners have tried for centuries to change China, and it will take some more intellectual effort to show that real harmony - the most desirable interaction between human beings or civilizations - is the art of combining differences.

But China also has to make the effort to avoid indulging in one of its strong tendencies, that is the “Sinization” of barbarians, the non-Chinese; the Middle Kingdom can recover its centrality without falling into the excess of imperialist behavior.

Let us reflect on Confucius in his Analects: “The gentleman is looking for harmony without assimilation, the others are looking for assimilation without harmony.”

The author is Director of Academia Sinica Europaea at CEIBS.

C

hinese enterprises are experiencing historical transformation with the Chinese economic development. In a change towards the market mechanism, enterprises are facing increasingly intensive international competition. How can they make a positive transformation to establish core competence, improve management efficiency, build up an effective management system and promote development? Facing such a big challenge, one super-large state-owned shipbuilding group responds with innovation and transformation, attempting to restructure the supply chain based on integrated procurement, reduce costs and increase efficiency, and occupy the commanding heights.

With modern management knowledge and industry experience, five students in the CEIBS EMBA2003 Class provide an in-depth analysis of the Group’s background, current conditions and future development trends, and jointly put forward a restructuring scheme.