

IMADE conference – MADRID: ANTICIPATING AN S&T-ORIENTED CHINA

1. China: A menace or opportunity for Europe?

China can no longer be considered an external variable in World competition. It has emerged as the central element in debates engaged by Europeans on the topic of worldwide competitive forces.

China has benefited greatly over the course of the past 26 years with an annual rate of growth of more than 10%, thus attaining in 2005 economic activity of more than €200 billion, with of course the European Union as its first commercial partner. On the other hand, the commercial deficit of the European Union vis-à-vis China is an unprecedented €100 billion, while Chinese exports continue to provide in Europe an intolerable pressure on certain industrial sectors as well as on employment. Producers of textiles and shoes, strangled by this Chinese concurrence, have called to re-establish tariffs and quotas.

Such an avalanche of numbers confirms a weakening position of the European Union, which is often difficult to estimate. It is possible that China is no longer situated, in fascination and anxiety, where Europeans are indeed expecting them to be. China wants it to be assured that its past successes will translate into the future, thus having new ambitions for greater change. China is preparing itself for unprecedented development, not only for short-term economic development.

2. New axes of Chinese Development: an S&T Revolution on the march

The announcement of China's 11th five-year plan has permitted Prime Minister Wen Jiabao to reaffirm at the opening of the 4th national conference of S&T in Beijing in January of 2006, the priorities of the country, while President Hu Jintao reminded the country of a change in task *“to be oriented in the next 15 years toward innovation, which is the centre of competitiveness of the country, and for greater emphasis on S&T.”*

The first semester of 2006 marked an effort toward great political change by political officials in China, which by consequence will have a potentially great effect on the World as a whole. The Chinese budget for R&D, with a progression of 20% a year, which doubles the already exceptional level of economic development, has been multiplied by 7 in 10 years and will persist thanks to a very deliberate and well-structured strategy. S&T is becoming the new area of emphasis of the Chinese government. In any case, China is aspiring to become the worldwide hub of international scientific research. It can already be considered the 3rd greatest scientific power in the World.

Nevertheless, this can become much more complicated, not only because of the general lack of understanding on the subject of China, but rather because of the uncertainty regarding the future prospects of Europe. The Europeans, while doubting themselves and still obsessed by their latest performances, ought to consider the relevant axes of cooperation and respond using their own specific skills.

3. The new modes of cooperation between Europeans and the Chinese

China *‘needs Europe’*... and the Euro-Chinese relationship can and must translate into opportunities to prosper in a cooperative manner. It is therefore urgent in suggesting that Europeans launch a *“Chinese strategy”*... Not only at a sub-continental level between Europe and China and between the European Union and the Chinese government, but also for each territorial region, for every pole of competitiveness, as well as for each enterprise.

As Europeans, we can no longer ignore the fact that R&D and innovation have become the nexus of competitiveness, especially when regarding *“the Lisbon agenda”*. New strategies are necessary for European enterprises who desire to conquer future markets and to maintain their important role in science and technology. The same applies to the regions determined to conserve their respected human capital.

The question of investing in R&D arises frequently with each leader of an enterprise, but can be pushed further by the modes of R&D cooperation with a potentially enormous market and enterprises that can define and impose new worldwide standards.