

Tahrir Square revolt and the “Beijing consensus” – A second look

By André Schneider

Reading the article “La révolte de la place Tahrir et “consensus de Peking”” by journalist Alain Frachon in *Le Monde* on February 17, I feel that a second look at what is currently happening in the Middle East is necessary. Especially when we envisage using this event to draw further conclusions on the future of the approach named the “Beijing consensus”.

Before looking at the significance of the Tahrir Square events, let’s remind ourselves about what is commonly understood by the “Beijing consensus.” This term is used to describe an alternative plan for development in the emerging world and was first presented in a paper by Joshua Cooper Ramo in 2004. This alternative approach proposes a new way of addressing the challenges posed by the changing economic and social environment; specifically, a rejection of per capita GDP as the be-all and end-all of development priorities, as well as self-determination - an emphasis on the need for developing countries to actively seek independence from external pressure as imposed by “hegemonic powers”. It does not automatically refer to a system based on a marriage between an authoritarian one party system and capitalism, as erroneously presented in the article in *Le Monde*.

If we now take a closer look at what happened at Tahrir Square, while the event is portrayed as an important ideological battle in *Le Monde*, and one which will determine the future, or more specifically the end, of the “Beijing consensus”, I do not agree with this interpretation. In my view, the revolt is a reminder for us, in the clearest terms, of a crucial principle for government leaders: when young people do not feel understood anymore, and do not believe in their government’s capacity to offer them a real prospect for their future, then they will rise up. This uprising will succeed when the general population shares a common lack of faith in a highly corrupt class of government leaders acting with impunity, with its ensuing social injustice and exclusion. Modern technology enables such movements to gain in size and momentum via today’s world of facebook, twitter and other social networks.

This analysis suggests not that the “Beijing consensus” has come to an end, but that these events are part of the desire for justice and hope. Government leaders must ensure that the young, as well as the rest of the population, are fully integrated into the economic development fueled by capitalism, and they must demonstrate their will to fight governmental corruption.

When we have a closer look at China, which is still the most visible example of a country experiencing the “Beijing consensus”. On the one hand, we can see that for the Chinese government several requirements have been central to their development strategy: the need to keep the social rifts under control, an approach that they often call harmonious development; the need to maintain continued growth to ensure jobs and future opportunities for young people graduating from Chinese schools and universities; and finally, the need to keep a close eye on possible issues like government impunity and corruption. On the other hand, China’s massive growth over the last 30 years has helped to significantly raise the standard of living. Since 1978, hundreds of millions have been lifted out of poverty: if we look at China's official statistics, the poverty rate fell from 53% in 1981 to 2.5% in 2005. Nevertheless, in 2006, 10.8% of the population still lived on less than \$1 a day.

In conclusion, I believe that the “Beijing consensus” will continue to exist as long as its strategies deliver an improvement in living standards for the whole population, and offer the younger generations real opportunities for the future. The challenge of upholding the “Beijing

consensus” in an authoritarian government will arise when living standards approach the level of those in the developed world, and when the population is thus able to shift its priorities away from economic survival to other societal concerns, such as more active participation in government decision processes.

André Schneider has been World Economic Forum’s Chief Operating Officer for the last 8 years. He has traveled China thoroughly for the last 5 years. He has created his own consultancy André Schneider Global Advisory at the end of 2010.