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PROMOTING SECURITY AND COOPERATION

SCO convenes in Beijing, outlines its future



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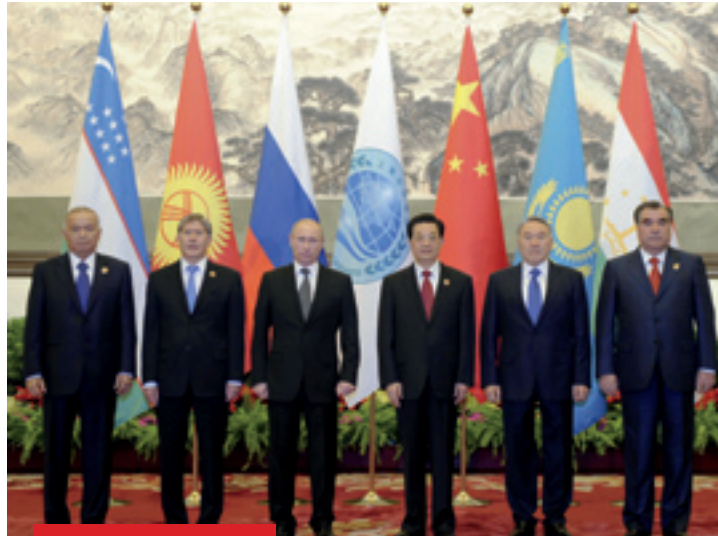
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A first of many China experiences

Cover Photo: SCO meeting was held in Beijing on June 6-7 (CFP)

New Decade, Great Expectations

When bidding farewell after their annual summit in Beijing in early June, the leaders of the Shanghai Cooperation Organization (SCO) had reason to feel proud of what they had achieved. By any measure, the summit was a remarkable success. It will go down in history as a milestone event for the organization, which groups China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan.

As the first meeting of SCO heads of state in the second decade since the organization was established in 2001, the Beijing summit offered the leaders a timely opportunity to ponder the future, mindful of pressing challenges in the region and beyond. Global recovery remains fragile given persistent structural problems in Western economies, as evidenced by the worsening European sovereign debt crisis. Political turmoil in West Asia and North Africa threatens regional stability. As U.S.-led NATO forces are set to pull out of Afghanistan by 2014, terrorism may spread from the war-torn country to Central Asia. Against this backdrop, the SCO cannot but work in concert more closely and effectively in the years to come.

For the first time, the SCO adopted a comprehensive strategic plan for its future development at the Beijing summit. The plan identified “consolidating mutual trust, maintaining security, promoting development, improving people’s livelihoods and strengthening exchanges” as priorities for future cooperation. SCO leaders agreed to take further measures to combat the “three evil forces” of terrorism, separatism and extremism. They also incorporated the protection and evacuation of member states’ nationals living abroad into the SCO security cooperation agenda. All these moves aim to make the SCO region, which covers three fifths of the Eurasian continent, more peaceful and prosperous, thus delivering benefits to the region and the world at large.

Over the past years, the SCO has evolved from a regional security arrangement against the “three evil forces” to a full-fledged international organization focusing on security, as well as economic and cultural cooperation. It has also reached out to other Asian nations for dialogue and collaboration. At the Beijing summit, Afghanistan joined the ranks of Mongolia, Pakistan, Iran and India as SCO observers. Turkey became one of the dialogue partners of the organization, which also include Sri Lanka and Belarus.

As the first international organization established on the Chinese mainland and named after a Chinese city, the SCO means much for China. It not only serves as a platform through which China engages its Central Asian neighbors, but also exemplifies the country’s efforts to build a “harmonious world.” Unlike NATO, a military alliance for collective defense, the SCO stresses mutual trust, mutual benefit, equal consultation, respect for cultural diversity and the pursuit of common development—principles that resonate with China’s vision for world harmony.

As a new decade unfolds, hopes are high for the SCO to play a greater role in promoting regional peace and development. ■

WRITE TO US

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Crucial Test

Parents watch as their children enter an exam hall in north China's Tianjin Municipality to take the 2012 college entrance examination on June 7, the first day of the two-day annual national exam.

Known as *gaokao* in Chinese, the exam is a prerequisite for high school graduates to enter almost all higher education institutions in the country.

The examination is usually held on June 7-8. This year, about 9.15 million students took the exam.

“Chinese government ships have left the lagoon but remain in waters of the Huangyan Island to provide services to the Chinese fishermen there.”

Chinese Foreign Ministry Spokesman Liu Weimin, in response to a report saying that China and the Philippines have both agreed to withdraw their ships from a lagoon in the area of the Huangyan Island at a press conference in Beijing on June 6

“We are not doing any work in relation to any financial support.”

IMF Chief Christine Lagarde, saying the IMF was not planning any financial assistance to Spain, in Washington, D.C. on May 31

“By not using the dollar as an intermediate currency, we can lower transaction costs and reduce settlement risks at financial institutions as well as making both nations' currencies more useful and energizing the Tokyo market.”

Japanese Finance Minister Jun Azumi, praising direct yuan-yen trading during an interview with Xinhua News Agency on June 6

“People-to-people exchanges form a significant foundation to boost the China-U.S. cooperation, and also an important part of establishing a new type of relationship between China and the United States.”

Chinese Vice President Xi Jinping, during a meeting with a U.S. good-will delegation headed by the Governor of Iowa Terry Branstad in Beijing on June 3

“The Chinese and Russian economies have different strengths and complement each other. China and Russia should further promote strategic large-scale projects cooperation in natural gas, nuclear energy, aviation and other fields.”

Vice Premier Li Keqiang, making the remarks while meeting with Russian President Vladimir Putin in Beijing on June 6



WONDER IN THE SKY

Transit of Venus, one of the rarest astronomical sights, is seen in Beijing on June 6. The next transit is expected to happen on December 11, 2117

Sustainable Development

China released a report on sustainable development on June 1, ahead of the UN Conference on Sustainable Development to be held in Rio de Janeiro, Brazil, on June 20-22.

The report focuses on the efforts and progress China has made since 2001 in implementing sustainable development strategies. It also analyzes existing gaps and challenges, puts forward future strategic initiatives, and clarifies China's positions for the upcoming conference.

From 2000 to 2010, the number of Chinese people living below the poverty line decreased from 94.22 million to 26.88 million, with the poverty rate dropping from 10.2 percent to 2.8 percent, according to poverty

relief standards that have since been revised.

Meanwhile, China has managed to raise energy efficiency year by year in major energy-consuming industries. Compared with 2005, the energy consumption per unit of industrial added-value had a cumulative decline of 26 percent by 2010.

While outlining China's progress in promoting sustainable development, the report also acknowledges a range of challenges ahead.

China's per-capita GDP ranks 100th in the world and there are still 122 million people living in poverty according to the updated standard.

Moreover, given the severe resources and environmental constraints on economic development, pronounced unevenness in

development among regions, and weak scientific and technological innovation capacities, China still faces an arduous task of improving people's livelihood, the report says.

Flexible Pension System

The Ministry of Human Resources and Social Security said in a written statement posted on its website on June 6 that it is conducting research into a more flexible retirement and pension system to keep a balance between employment and an expected shortfall in retirement payments in China. But it did not clarify detailed plans.

In China most men retire at 60 and women at 55. Almost all employees in China, in both private and state-owned organizations, have an individual pension account, to which both employee and employer have to make a monthly contribution. The employee cannot withdraw any funds until he or she retires.

However, the country is facing a ballooning deficit in its retirement pension funds due to an aging population. For example, in line with the current contribution ratio, the pension funds only pay women about 40 percent of their working wage monthly for 15 years after retirement.

Transparent Charity

Volunteers, donors, Internet users and reporters were invited to visit the Red Cross Society

GARBAGE SORTING Residents in Dalian City, northeast China's Liaoning Province, learn how to sort garbage on June 5, World Environment Day



Heroic Driver

Government officials have honored a bus driver who saved the lives of 24 passengers after being mortally wounded by a flying piece of metal.

Wu Bin, the 48-year-old driver, was traveling from east China's Jiangsu Province to Zhejiang Province on May 29 when the accident occurred. He was struck in the chest by a large metal fragment that flew through the bus's windshield. Video from the bus showed Wu slowed the bus to a stop, turned on the hazard lights, put on the parking break, opened the door of the bus and asked passengers to evacuate. He died three days later.

Wu was honored with the title martyr by the Zhejiang Provincial Government and model worker by the Ministry of Transport. People took to the Internet to show their respect for Wu, praising his courage and urging authorities to investigate the accident and take care of Wu's family. Wu's family declined to accept donations that poured in after Wu's story was widely reported in China.



of China (RCSC) on June 6, and were briefed on the organization's recent work.

The move is one of the organization's efforts to boost transparency in the charity system and dispel public concerns over the possible misuse of donations.

Zhao Baige, Executive Vice President of the RCSC, said that the organization would set up a public supervision committee and invite credible public figures to participate in and supervise the organization's major charity projects.

An internal monitoring organ and an accountability mechanism would also be established to ensure that donations are used properly, Zhao said.

The RCSC came under fire last year after a woman calling herself Guo Meimei posted pictures on her micro-blog detailing

her lavish lifestyle. She, falsely, claimed to be general manager of "Red Cross Commerce," a group that the RCSC said does not exist.

Mental Health

The Ministry of Health (MOH) plans to establish a treatment network for serious mental diseases that will cover at least 95 percent of counties and cities nationwide by 2015.

According to a draft guideline on the country's mental health work for 2012-15, released by MOH on June 6 for public feedback, China has 16 million people suffering from schizophrenia and other severe mental diseases, but services and treatment facilities for them are inadequate.

Serious mental illnesses mainly include schizophrenia, schizoaffective disorder, bipolar disorder and mental retardation. People suffering from such disorders may find it difficult to control their behavior and may become a threat to others and public security, according to the ministry.

The guideline looks to ensure formal supervision of 70 percent of patients diagnosed with severe mental diseases while 60 percent are targeted to receive regular treatment by 2015.

In addition, the draft sets the goal to equip 90 percent of community health service centers with personnel specializing in mental illness treatment by 2015. Psychological crisis intervention teams will be set up in at least 90 percent of provincial-level regions and 60 percent of cities.

The guideline also urges mental consultation and education services for enterprises, elderly groups and other social organizations.

Asian Beach Games

Haiyang City in east China's Shandong Province will host the Third Asian Beach Games on June 16-22.

The games will feature 49 events in 13 sports, including beach soccer, cliff climbing, windsurfing, powered paragliding, beach volleyball and beach basketball.

Great Wall Survey

China's existing Great Wall, one of the country's signature relics, is 21,196.18 km long, according to the latest survey released by the State Administration of Cultural Heritage (SACH) on June 5.

An archeological survey jointly conducted by the SACH and the former State Bureau of Surveying and Mapping since 2007 found that the Great Wall structures span the country's 15 provinces, autonomous regions and municipalities.

A total of 43,721 heritage sites were identified nationwide during the survey, including stretches of the wall, defense works and passes, as well as other related Great Wall facilities and ruins.

This was the first time such a figure had been released, as a preliminary survey in 2008 only showed that the Great Wall structures built during the Ming Dynasty (1368-1644) extended more than 8,850 km.

Construction of the first Great Wall dated back to the Warring States Period (475-221 B.C.) and, over subsequent centuries, walls were built by later dynasties in scattered, but strategic areas to fend off northern nomadic tribes. It was put on the UN Educational, Scientific and Cultural Organization's list of world heritage sites in 1987.



GOOD HARVEST A farmer removes newly harvested wheat in Jiefang Village, Ganyu County in east China's Jiangsu Province, on June 4. Minister of Agriculture Han Changfu predicted in early March that China's crop yield will top 120 million tons this summer



LI MINGFANG

ART SHOW A visitor photographs a Chinese brush drawing at an exhibition in Beijing on June 5

THIS WEEK ECONOMY

Interest Rates Cut

China's central bank cut interest rates for deposits and loans by a quarter of a percentage point on June 8.

It was the first time that the People's Bank of China cut the benchmark rates since December 2008, after which it raised the rates five times to drain liquidity.

After the cut, the one-year deposit interest rate fell to 3.25 percent while that of the one-year loan interest rate was lowered to 6.31 percent.

The upper limit of the floating band of deposit rates will be adjusted to 1.1 times the benchmark level while banks are allowed to offer 20-percent discount to borrowers.

The latest move came as China's slower-than-expected economic growth had raised concerns over an abrupt brake for the world's second largest economy.

China's GDP growth slowed to a nearly three-year low of 8.1 percent in the first quarter as key economic indicators for April continue to suggest downward risks.

Manufacturing Slows

The purchasing managers index (PMI), a readout of the country's manufacturing activity, ended five consecutive months of growth in May and retreated to 50.4 percent from 53.3 percent in April, the China Federation of Logistics and Purchasing (CFLP) said on June 1.

The figures for May showed that although China's economy decelerated, the overall growth trend remained unchanged, as the reading still stood above 50 percent, said the CFLP. A PMI reading of 50 percent demarcates expansion from contraction.

The sub-index for new orders dipped below 50 percent, to 49.8 percent in May, indicating shrinking demand in the manufacturing sector.

The world's second largest economy is likely to further lose steam with a decline in the sub-index for new orders, pointing to even weaker future factory activity, according to Zhang Liqun, a researcher from the Development Research Center of the State Council.

Zhang noted that the economic downshift will be mitigated by government efforts to maintain growth, especially policies aimed at stabilizing investment.

Boosting Rural Consumption

The Ministry of Commerce said on June 5 that home appliance sales under the country's rural subsidy program surged 72.6 percent year on year to 18.28 billion yuan (\$2.9 billion) in May.

In the first five months, home appliance sales in the countryside rose 4.4 percent from a year earlier to reach 79.88 billion yuan (\$12.68 billion). The volume of appliances sold in the period dropped 5.7 percent to 30.11 million units.

At the end of May, China had subsidized 248 million units of home appliances valued at 585.8 billion yuan (\$92.98 billion) since the subsidy program began.

Initiated in 2009 to stimulate rural consumption and buoy the nation's economic growth amid the global economic downturn, the subsidy program will continue till

AUTO SHOW Visitors take pictures of cars and models at the 2012 Chongqing International Auto Show, the most influential auto show in southwest China which kicked off on June 6

NECTA BANQUET A visitor examines a bottle of wine at the Topwine China 2012 held in Beijing on June 4-7



Numbers

32.09 billion yuan

The Ministry of Finance sold 32.09 billion yuan (\$5.18 billion) of seven-year book-entry treasury bonds from June 7-11 and the bonds became tradable on June 13.

12.21 million

Last year, 12.21 million jobs were added in China's urban areas in 2011, said the Ministry of Human Resources and Social Security on June 4.

January 2013.

Under the program, farmers can receive subsidies equal to 13 percent of the price of the home appliances they buy.

Auto Tax Reduction

China has announced a second wave of tax cuts for clean-energy cars, specifying 64 new energy-saving vehicles covered by the scheme.

The government has decided to halve vehicle taxes for buyers in these cases, in a bid to boost slow sales of green cars in the country. The fees for users of seven types of electric automobiles will be removed, according to a document jointly released by the Ministry of Finance, the Ministry of Industry and Information Technology, and the State Administration of Taxation on June 5.

At least 10 domestic auto producers were included in the list specified by the new policy, which took effect on January 1. Consumers who have bought the vehicles will get tax refunds.

The government first applied the policy in March, listing a first batch of eligible cars. At least 200 types of plug-in hybrid cars, pure electric cars and fuel cell vehicles were included.

SOE Breach

The Industrial and Commercial Bank of China (ICBC) and Citic Group Corp. violated several financial regulations in their lending and other operations, the National Audit Office (NAO) ruled on June 1.

NAO's routine audit of the two companies' activities in 2010 found they had broken rules on providing credit services, including granting loans to under-funded property projects and local government financing platforms, as well as providing bill discounting services to falsified trade contracts.

The audit office said the two companies had chaotic financial management, adding that some of their loans were misused by

KUNMING FAIR

A businessman from Nepal shows a hand-made cloth-painting at the 2012 China Kunming Import and Export Fair held on June 6-10 in Kunming, capital of southwest China's Yunnan Province



LIN YIQUAN

Senior Diplomat

Wu Hongbo, a senior Chinese diplomat and China's ambassador to Germany, was appointed under-secretary-general to lead the Department of Economic and Social Affairs (DESA) by UN Secretary General Ban Ki-moon, a UN spokesman announced on May 31. The 60-year-old diplomat is set to take over the position held by another Chinese official, Sha Zukang, since February 2007.

"Wu has over 30 years of high-level experience, including close collaboration at international conferences and with multilateral organizations," said Ban in a statement posted on the UN's official website. The statement noted Wu's role in helping China implement UN conventions on the environment and development as well as its report on progress toward the Millennium Development Goals.

Wu, born in east China's Shandong Province, graduated from Beijing Foreign Studies University and pursued graduate studies at Victoria University in New Zealand from 1978 to 1980. He has served as assistant foreign minister since 2007. In August 2009, Wu was appointed China's ambassador to Germany.



their clients.

Separately, the NAO also audited the financial revenues of 15 centrally administered state-owned enterprises (SOEs), including the country's two oil giants—China National Petroleum Corp. and China

Petrochemical Corp.

It said various irregularities were uncovered in these companies, but that 97 percent of these violations had been rectified and that 87 people responsible had been penalized as of the end of March.

325 billion yuan

China has invested 325 billion yuan (\$51.59 billion) in converting cropland to forests, said the State Forestry Administration on June 4.

10.72 billion yuan

Real estate developer China Vanke's sales in May hit 10.72 billion yuan (\$1.68 billion), up 44.1 percent compared with last month and 19 percent compared with the same period last year.

THIS WEEK WORLD



GETTY IMAGES

Britain's Queen Elizabeth II and members of the royal family attend a ceremony at St Paul's Cathedral in London on June 5 to celebrate the Diamond Jubilee, which marks 60 years of the queen's reign

BRITAIN



GETTY IMAGES

IRELAND

Electoral workers open ballot boxes as they count votes in a fiscal treaty referendum in Dublin on June 1. Irish voters backed the EU fiscal pact designed to shore up the turmoil-hit euro zone by a large majority





XINHUA/AFIP

Rescuers and firefighters work at the scene of a plane crash in Lagos on June 4. The plane crashed the day before, killing all 153 passengers. At least 40 people on the ground were also killed when the plane hit a two-story building

NIGERIA



XINHUA/AFIP

An image grab taken from Egyptian state TV shows ousted President Hosni Mubarak sitting inside a cage in a courtroom during his verdict hearing in Cairo on June 2. Mubarak was sentenced to life in prison after being confirmed guilty of complicity in the murder of demonstrators during the protests that overthrew him last year

EGYPT



XINHUA/AFIP

PAKISTAN

Pakistanis cool themselves off in a water channel in Lahore on June 3. Heat waves have brought temperatures in excess of 43 degrees Celsius in many parts of the country

XINHUA/AFIP



Peruvian President Ollanta Humala, Colombian President Juan Manuel Santos, Chilean President Sebastian Pinera and Mexican President Felipe Calderon (left to right) attend the Pacific Alliance Summit at the Paranal Observatory in northern Chile on June 6. The summit marked the creation of the Pacific Alliance, a regional bloc designed to promote free trade while boosting ties with Asia

CHILE

COVER STORY

EURASIA MEETS

SCO leaders gather in Beijing for the future development of this young but vigorous organization By Ding Ying



Eleven years ago, the Shanghai Cooperation Organization (SCO) began with just six members. This year, more than a dozen leaders from across Eurasia came to attend the SCO Summit in Beijing.

From June 6-7, the leaders discussed the future development of the SCO and reached consensus on the organization's economic

and cultural exchanges and security cooperation.

Historic summit

This year is the first year of the SCO's second decade. During the past 11 years the SCO has played a significant role in maintaining peace and stability, while fostering

bilateral and multilateral cooperation in the region.

Shi Ze, a senior research fellow with the China Institute of International Studies, stressed that this year's summit shouldered a mission of "carrying forward the tradition and forging ahead into the future." The leaders made a mid-term strategic plan for the SCO's development.

"They evaluated the international situation in the coming years, and designed the SCO's missions," said Shi. He said during the past years, the SCO's mission was to perfect its mechanism, and in the next 10 years its mission will be to push forward practical cooperation.

Being an influential governmental organization, the SCO has worked well on enhancing bilateral and multilateral high-level exchanges. The summit became an important occasion for SCO leaders to exchange views on regional and global issues. During this year's summit, many leaders paid state visits to China. For example, Russian President Vladimir Putin made his first state visit to China during his third presidential term. Also, Pakistani President Asif Ali Zardari made his ninth state visit to China.

In the field of security cooperation, the SCO has established an agency to coordinate its efforts to maintain regional peace and security. The Executive Committee of the SCO Regional Counterterrorism Structure (RCTS), the permanent body of the RCTS, is based in Tashkent, capital of Uzbekistan. SCO member states also hold joint antiterror military rehearsals regularly. The Peace Mission 2012 drill will be staged in Tajikistan in mid-June.

People-to-people exchanges are also burgeoning. For example, over 50 colleges and universities of SCO members have jointly participated in an online university project, which contains five subjects. Many young people are benefiting from this online university.

The summit was a milestone of the SCO's development, said Alexander Lukin, Director of the Center for East Asian and SCO Studies at the Moscow State Institute of International Relations. He pointed out that this year's summit was of special significance because the leaders adopted a development plan for the SCO. Lukin said although the SCO is a young organization, it has a good reputation and good development progress compared to older organizations.

"Now the SCO is standing at its turning point and SCO leaders must figure out a practical development plan," Lukin said. He said the global situation is changing and other regional and international organiza-



A MILESTONE SUMMIT: Representatives meet for the 12th SCO Summit at the Great Hall of the People in Beijing on June 7



DING LIN

BILATERAL OCCASION: Chinese President Hu Jintao and his Russian counterpart Vladimir Putin review the guards of honor during a welcoming ceremony in Beijing on June 5. Putin arrived that day to attend the 12th SCO Summit and to pay a state visit to China

tions are also moving forward. “Frankly speaking, disputes exist between SCO members. Participating in the same organization will help to solve conflicts between these nations,” he added.

Sergey Luzyanin, Deputy Director of the Institute of Far Eastern Studies at the Russian Academy of Sciences, confirmed that this year’s SCO Summit was very important. “The SCO faces a mission in the following 10 years, that is, how to improve its position in the region and the world and to play a bigger role,” said Luzyanin. He concluded that during the past years, the SCO has been actively protecting peaceful development and stability in the region, and it can do more and better in the future.

SCO enlargement

At the Beijing summit, the SCO granted Afghanistan observer status and accepted Turkey as a dialogue partner. Their participation provokes a question: Should the SCO pursue enlargement? Observers said yes, but they don’t think the enlargement should be conducted in a rush.

Lukin pointed out that enlargement will help the development of the SCO. He said five of the six member states aside from China are former Soviet Union nations. Putin has been ambitious on the integration of the Commonwealth of Independent States (CIS), and he will pay more attention to this point during his new presidential term. Somehow, the SCO has been combined with

the CIS integration. “After enlargement, more non-CIS nations will be involved. Therefore, more SCO topics will be independent of CIS integration, which will quicken the SCO’s pace of development,” said Lukin.

Shi pointed out that Turkey applied to be a dialogue partner, based on the country’s recent diplomatic strategy of turning east. He applauded the SCO’s approval of Turkey’s application. He said Turkey is a moderate Islamic nation, and Islam now is the biggest religion in the SCO. “Turkey’s participation can neutralize the extremist Islamic influence in some SCO members,” said Shi. Besides, he said since Turkey is a NATO member, its involvement might enhance exchanges with the NATO, while the SCO helps Turkey by opening a gate to the east.

Afghanistan is a problem for neighboring states, and its permanent stability depends on a transformation of its economic structure. Now unfortunately Afghanistan’s economy relies on drug trafficking, Shi said. If SCO members can invest in Afghanistan’s processing industry and agriculture, they will contribute to peace, stability and development in the country.

Guan Guihai, a professor and expert on Russian studies at Peking University, agreed that there are enough reasons for the SCO to consider enlargement. “If any organization has formed a stubborn formula of member states and pattern of activities, it will sooner

or later be dead,” he said. But he also suggested that the SCO should thoroughly study the situation before deciding when and how to enlarge. “For example, adding members will require more languages and more topics,” he said.

Luzyanin also said the SCO needs to enlarge. But it doesn’t mean that enlargement should start immediately, he stressed.

Luzyanin said Iran now is an SCO observer, but it is under UN sanctions. He said it is not proper for the SCO to absorb Iran as a formal member. Besides, India and Pakistan are both applying to be formal members, but neither of them hopes the other one will be an SCO member because of historical conflicts between them. Afghanistan’s participation is also a sensitive issue, considering its future security problems, he said.

Future tasks

Observers said the SCO must pay more attention to security. They also said as cooperation under the SCO framework keeps strengthening, the SCO should make more efforts on economic cooperation.

Shi said security challenges will come from both inside and outside the SCO. There will be elections in some SCO members, especially in several Central Asian nations, which could be potential threats to regional stability, he said. Disputes also exist between SCO members, such as Tajikistan and Uzbekistan. Plus, there will always be

the existence of the “three evil forces”—terrorism, separatism and extremism.

The biggest security threats, however, come from outside the organization. Apart from Iran’s nuclear issue, Afghanistan’s future security will be a real headache to the whole region. The United States declared that it will pull out all its troops by 2014. By then, Afghanistan might be a power vacuum for different forces, including extremist forces, Shi warned. “The SCO has to issue a document to deal with emergencies like this. Besides, it should establish a consultation mechanism on Afghanistan,” said Shi.

Guan said it will be unrealistic for SCO members to take military actions individually to combat terrorism. However, the SCO has enough political authority and validity to authorize its members to take military actions against terrorism to safeguard regional security, said Guan.

Chinese and Russian observers jointly stressed that economic cooperation must be a focus of the SCO’s future development.

Lukin said the urgent task is to establish a financing mechanism for bilateral or multilateral projects. He suggested building a multilateral bank to realize this goal.

“Economic cooperation is relatively behind in the SCO’s development, and there must be a breakthrough,” said Shi. He said the organization can be creative in finding new cooperative methods such as conducting more bilateral programs, as well as multilateral programs, under the SCO framework.

“China has huge amount of capital to invest and Central Asian countries are very interested,” said Luzyanin. He suggested strengthening economic cooperation, especially in transportation and energy. The SCO is planning to establish a road transportation network to link all its members.

At the Beijing summit, Chinese President Hu Jintao promised that China will offer a loan of \$10 billion to support economic cooperation in the SCO.

Economic cooperation under the SCO framework can be bilateral. For example, China and Russia are influential powers and both are permanent members of the UN Security Council. Their strengthened economic cooperation will set a good example for other SCO members. However, Luzyanin said economic cooperation must pay special attention to balanced interests among all countries involved. “This is the most complicated part of all economic cooperation,” he stressed. ■

About the SCO

The Shanghai Cooperation Organization (SCO) is a permanent intergovernmental organization established on June 15, 2001 in Shanghai.

Founding members: Republic of Kazakhstan, the People’s Republic of China, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan and the Republic of Uzbekistan

Total area: more than 30 million square km, making up three fifths of the Eurasian continent

Population: 1.5 billion, accounting for a quarter of the world total

Observing members: India, Pakistan, Iran, Mongolia and Afghanistan

Dialogue partners: Sri Lanka, Belarus and Turkey

Main goal: moving toward the establishment of a new, democratic, just and rational political and economic international order

(Source: SCO website)

Summit Agreements

- Member states stated their shared vision for establishing a just, democratic and multi-polar world architecture and developing state-to-state relations on that basis in the Declaration of the Heads of State of the SCO Member States on Building a Region of Lasting Peace and Common Prosperity
- The heads of state of SCO member states approved the Strategic Plan for the Medium-term Development of the SCO
- The heads of state approved the revised version of the SCO Regulations on Political and Diplomatic Measures and Mechanism of Response to Events Jeopardizing Regional Peace, Security and Stability and the Program of Cooperation in the Field of Combating Terrorism, Separatism and Extremism for 2013-15
- The heads of state instructed work in setting up the SCO Development Fund (Special Account) and the SCO Development Bank to be continued and completed as soon as possible
- The heads of state maintained that it is important to strengthen SCO cooperation in culture, science, technology, innovation, tourism and health and ensure sound sanitation and epidemic control in the SCO region

(Source: Press Communiqué of the Meeting of the Council of the Heads of the Member States of the SCO)



SINGING AND DANCING: A Kyrgyz folk artist performs at an SCO art festival that opened on June 6 in Beijing, where traditional art, culture and intangible cultural heritage were on display

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