

SYRIA FIGHTING GOES ON P.14

NEW GROWTH ENGINES P.28

# BEIJING REVIEW

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## HOME IMPROVEMENT

Liaoning's shantytowns get all fixed-up



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# A Decent Housing Example

Though fast-growing China has created a lot of wonders in the past more than 30 years of reform and opening up, the achievements of its Liaoning Province's ambitious shantytown renovation project still deserve much attention.

The northeastern province began to rebuild state-owned industrial and mining shantytowns on a large scale at the beginning of 2005. By the end of last year, it had renovated 29.1 million square meters of shantytowns. The floor area of newly built apartments totaled 44.02 million square meters, solving housing problems for 2.11 million residents.

Liaoning was one of the earliest industrial powerhouses of China. But even in its prime in the 1950s to 1980s, local state-owned enterprises, especially coal mines in cities such as Fushun, Benxi, Fuxin and Chaoyang, didn't provide enough houses for their workers because more emphasis was placed on production than people's livelihoods.

At the end of 2004, the province had nearly 1.6 million people living in shantytowns without basic living facilities such as tap water, central heating and paved roads. The plight of shantytown residents prompted the government to provide them with better living conditions.

With characteristics of large scale, short time, large population, high proportion of completion, high return rate and satisfaction, the area of renovated shantytowns in Liaoning is almost twice the average number per year required by the UN's Millennium Development Goals.

Along with the renovations, new employment opportunities were also created for unemployed populations previously living in shanties.

A survey among former shantytown residents shows their satisfaction with the improvement in housing conditions, supporting facilities, recreation and mental attitude are very high.

The development of low-income settlements is now a worldwide concern. According to statistics of the UN Human Settlements Programme, people living in slums accounted for a quarter of urban population throughout the world, totaling 827.6 million, and the figure is rising.

The shantytown renovation project in Liaoning, with the lead of the government, also made full use of the market's function in fundraising and many other fields. In this sense, it's a great case study for the international community. ■

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## Gold Grabber

Gold medalist Ye Shiwen celebrates after the podium ceremony of the women's 200-meter individual medley final at the London 2012 Olympic Games on July 31 in London.

After wiping out the previous record in the 400-meter medley, the 16-year-old girl from Hangzhou, Zhejiang Province, won her second gold medal of the Olympics with an Olympic record of 2:07.57 in the 200-meter individual medley.

On July 28, Ye stunned the world when she won the gold medal in the 400-meter individual medley and set a world record time of 4:28.43, knocking a second off the previous record, which had been held by Australian Stephanie Rice.

**“China strongly opposes the groundless criticism of China’s normal national defense development and military activities, and the irresponsible remarks about China’s internal affairs made by Japan’s annual defense white paper.”**

Chinese Foreign Ministry spokesman Hong Lei, refuting criticism of China’s national defense policy made in a newly released Japanese annual defense white paper, in a written statement released on July 31 in Beijing

**“China has indisputable sovereign rights over the South China Sea islands and their adjacent waters, and the military opposes any outside military intervention in this area.”**

Spokesman Geng Yansheng of China’s Ministry of National Defense, responding to a question about the possibility of conflict over disputed waters on July 31 at a press conference on the eve of the 85th anniversary of the founding of the Chinese People’s Liberation Army

**“The leadership change in local Party committees occurred in the country’s crucial period of building a moderately prosperous society in all aspects, deepening reform and opening up, and speeding up the transformation of economic development. It was a significant event in the Party’s political life.”**

The Organization Department of the Central Committee of the Communist Party of China highlighting the significance of the local Party committee leadership reshuffle from the fourth quarter of 2011 to early July in a statement on July 30

**“China’s obsession with gold medals makes it difficult to get the masses involved in sports. All the funding will go to those who are capable of winning gold, but not the wider public. This [gold obsession] has got to stop. Otherwise, China may become a nation that wins a lot of gold medals but is still weak in sports.”**

Xiao Hongbo, a professor at the Department of Journalism at Shanghai University of Sport, criticizing China’s single-minded focus on Olympic gold medals on July 30

## Widespread Labor Unions

About 3.44 million, or 82.73 percent, of private and foreign-funded companies in China had established labor unions as of the end of June, said Wang Yupu, Vice Chairman of the All-China Federation of Trade Unions, on July 30.

In the first half of the year, 99.29 million, or 72.95 percent, of the companies' staff joined labor unions.

Wang said that trade union organizations have been working on promoting collective salary negotiations between enterprises and workers, with the number of enterprises signing collective wage contracts increasing by 56.1 percent from 2010 to the current 1.74 million.

## New Generals

The Central Military Commission conferred the rank of general on six senior military and police officers on July 30.

The senior officers include Deputy Director of the General Political Department of the Chinese People's Liberation Army (PLA) Du Jincai, Political Commissar of the PLA National Defense University Liu Yazhou, Political Commissar of the Jinan Military Area Command Du Hengyan, Political Commissar of the Chengdu Military Area Command Tian Xiusi, and Commander Wang Jianping and Political Commissar Xu Yaoyuan of the Chinese People's Armed Police Force.

China began to confer military ranks on military officers in 1955 but abolished the

practice in 1965. The military ranking system was resumed in 1988. Since then, 141 senior military officers and armed police officers have been promoted to the rank of general.

The PLA recognizes 10 military ranks for officers in active service: general, lieutenant general and major general; senior colonel, colonel, lieutenant colonel and major; captain, first lieutenant and second lieutenant.

## Free Cancer Tests

A program that includes free cervical and breast cancer screenings will be offered to more rural women over the next three years, according to a statement issued on July 27.

The Chinese Government has decided to expand the program until 2015, with plans to

offer cervical cancer screenings for 10 million rural women and breast cancer tests for 1.2 million in 2012 alone, the statement said.

With 562 million yuan (\$88.17 million) in government funding, the program has allowed 11.69 million rural women to receive free cervical cancer tests, as well as another 1.46 million women to undergo breast cancer tests, during a trial period that ran from 2009 to 2011 in about 200 counties nationwide.

China initiated the program as part of the country's ambitious 850-billion-yuan (\$133.35 billion) health care reform plan.

## Westward Bound

A total of 17,000 college graduates will be sent to west China to provide volunteer

**FUN WORLD** Children visit a painting exhibition during the Tianjin International Children's Cultural and Art Festival that kicked off in the northern city Tianjin on July 29



**HAPPY FESTIVAL** Tibetans celebrate the annual Ongkor Festival on July 30. The occasion is also known as the Fruits-Awaiting Festival, in anticipation of a bumper harvest



## Anchorman Hosts Flood Heroes

**Cui Yongyuan**, a famous anchorman from China Central Television (CCTV), treated 154 migrant workers to dinner on the evening of July 30 to show respect for their heroic rescue of about 200 people trapped in a torrential downpour a week earlier. The migrant workers, who work for a water treatment factory in Fengtai District of Beijing, raced to move people stranded by floodwaters on the Beijing-Hong Kong-Macao Expressway when the heaviest rainfall in 61 years lashed Beijing on July 21.

The TV icon responded to an online campaign on Sihu Weibo, a popular micro-blogging site, to take the workers out for dinner after he read about the life-saving stories. The campaign, organized by three scholars in May, called for urban residents to treat migrant workers to dinner as a way to promote equality among different social groups and eliminate class discrimination. Cui toasted all the migrant workers seated around 18 tables. He paid 14,400 yuan (\$2,250) for the dinner.



Cui, 49, won fame by hosting the CCTV talk show *Tell It Like It Is*, the first of its kind on the Chinese mainland. His humor has attracted many fans, and though a bout with depression forced his retirement from the show in 2002, he resumed his position several years later.

service and hold positions at the community level, according to a statement from a symposium held by the Central Committee of the China Communist Youth League on July 31.

At present, the plan of sending college graduates to serve in the west, jointly established by government bodies, including the Ministry of Education and the Ministry of Finance, in 2003, has dispatched more than 170,000 college graduates in 10 groups to serve at the community level in central and western regions for one to three years.

Moreover, more than 6,500 young volunteers have been sent in 14 groups to teach in poverty-stricken areas for one year since the first group of volunteer teachers was dispatched in 1999.

## Plateau Lake Protection

China has approved a conservation program for an inland plateau lake in northwestern Qinghai Province, local environmental protection authorities said on July 31.

According to the program, 430 million yuan (\$67.46 million) will be invested over three years to protect the environment of the Keluke Lake on the Qinghai Plateau.

The lake, located in the northeast of the Qaidam Basin, is a major water conservation area in Qinghai. It covers 57.4 square km and has been dubbed Lovers' Lake, as birds migrate there in spring and summer to mate.

Local industrial development, population growth and over-fishing in recent years have



**LINGUISTIC ACHIEVER**  
Isaia Herimialy Ratsizakaina (left), the first African to rank in the top six at the 11th Chinese Proficiency Competition for Foreign College Students, is greeted at Madagascar's Tananarive Airport on July 28

caused pollution in the lake as well as wetland degradation.

## Tibetan Seeds

Chinese botanists have collected the seeds of more than 1,100 plant species found in Tibet Autonomous Region and preserved them in a national germplasm bank.

The seeds were gathered over the past five years mostly near the upper reaches of the Yarlung Zangbo River and on the Qiangtang Grassland, according to researchers with the Institute of Tibetan Plateau Research under the Chinese Academy of Sciences.

The samples were derived from plant species either native to Tibet or with considerable economic value, such as varieties of grass and traditional Tibetan herbs. They are being kept in the China Germplasm Bank of Wild Species, a leading bio-resource storage facility dubbed the Noah's Ark of the country's plant species.

Tibet has one of the most diverse gene pools in the world, with more than 9,600 wild plant species, including 855 unique to the region.

## Tests on Rocket Engine

China on July 29 successfully conducted tests on its new 120-ton-thrust liquid oxygen and kerosene engine for its new generation carrier rocket, the *Long March-5*, according to the China Aerospace Science and Technology Corporation (CASC).

The test was conducted in Xi'an, capital city of northwest China's Shaanxi province, according to the CASC's Sixth Research Institute.

The engine underwent a high rotational speed test of nearly 20,000 revolutions per minute and a high temperature test of 3,000 degrees Celsius that lasted for 200 seconds, national broadcaster CCTV reported.

The high-performance engine, which is the first kind of high-pressure staged combustion cycle engine for which China has proprietary intellectual property rights, is non-toxic, pollution-free and highly reliable, according to CCTV.

The engine is much more powerful than the 75-ton-thrust engines of the launch vehicles used in the already-launched *Shenzhou* spacecraft, the institute said.

China is the second country in the world, after Russia, to grasp the core technologies for a liquid oxygen/kerosene high-pressure staged combustion cycle rocket engine.



**SUCCESSFUL VOYAGE** China's first aircraft carrier platform departs for its ninth sea trial from Dalian City, northeast China's Liaoning Province, on July 6. The latest trial lasted 25 days, longer than any previous ones. It returned to Dalian on July 30



**BUSY HUB** Cuntan Bonded Port Zone in Chongqing, the first inland bonded port zone of China, handles over 150,000 TEU (20-foot equivalent unit) containers for import and export in the first half of this year, and has become the logistics center in west China

## Prioritizing Growth

Stable growth was reaffirmed as a priority, as were maintaining fiscal and monetary policies to combat turbulent global conditions.

Current economic growth is within expectations, but external conditions remain grim and pose difficulties and challenges, according to a statement released on July 31 after a meeting of the Political Bureau of the Communist Party of China (CPC) Central Committee, presided over by President Hu Jintao.

The committee pledged to cut taxes and maintain moderate credit growth.

The government will beef up support for key projects and implement policies that allow private capital to play a bigger role, the committee said, adding that foreign trade poli-

cies will remain consistent.

It also vowed to expand domestic demand, develop the real economy, accelerate reform and improve living standards in the second half.

At the same time, the committee said it will firmly implement cooling policies to curb speculative demand and increase supplies of smaller apartments and subsidized housing.

## Confidence in H2

Chinese economists expect to see lower inflation and more government stimulus in the third quarter, and higher confidence in the second half of this year.

The quarterly survey from the China Economic Monitoring and Analysis Center

under the National Bureau of Statistics was conducted among 78 leading economists, and showed that 72 percent of them expected higher than 8 percent growth this year supported by further economic policies.

The survey's overall index, which indicates respondents' confidence in the country's economic situation, is expected to rebound to 4.8 in the second quarter, compared with 4.48 in the first three months. The evaluation range for the index is from 1 to 9.

Respondents said they expected China's inflation rate to ease in July, because of continued low food prices, giving the government more leeway to loosen price policies, economists said.

## Capital Account Deficit

China's capital and financial account shifted to a deficit of \$71.4 billion in the second quarter this year from a surplus of \$56.1 billion in the first quarter, said the State Administration of Foreign Exchange (SAFE).

In the first half of this year, the capital and financial account deficit was \$20.3 billion. The country has suffered a certain degree of capital outflow in the first half, but this does not suggest a massive retreat of foreign investment, said the SAFE.

The country's current account surplus widened to \$59.7 billion in the second quarter from \$23.5 billion in the first quarter.

Current account surplus in the first half of the year was \$83.2 billion, down 5 percent from one year earlier. The surplus was equivalent to 2.3 percent of the country's GDP in the first half, down from 2.8 percent in the same period of 2011, offering new evidence that the world's second largest economy is relying less on external demand.

## PMI New Low

Manufacturing sector expanded at its slowest pace in eight months, with the purchasing managers index (PMI) easing to 50.1 percent

## Numbers

**489.3** billion yuan      **5.5%**

Outstanding loans issued by China's 5,267 micro-credit companies totaled 489.3 billion yuan (\$77.67 billion) at the end of June, said the People's Bank of China.

In the first six months, power consumption grew 5.5 percent from a year earlier, 6.7 percentage points lower than last year, dragged down by a decline in power use by high energy-consuming industries, said the China Electricity Council.



in July, according to data released by the China Federation of Logistics and Purchasing and the National Bureau of Statistics on August 1.

PMI in July was 0.1 percentage point lower than that in June, but it suggested the manufacturing sector is still expanding even though growth has slowed. A reading of 50 percent means expansion from contraction.

However, July's PMI reading was below market expectations. Analysts have forecast that the official data may inch up from one month earlier as the Chinese economy stabilizes.

## Luxury Boom

China's increasing luxury market was still a growth driver for some main international luxury groups, despite the slight slowdown in market growth.

According to French-owned PPR SA, the world's third largest luxury group by turnover, which owns Gucci and Bottega Veneta, the Gucci brand gained huge popularity in China, said CFO Jean-Marc Duplaix. Sales soared by 35.6 percent across China in the first half of 2011, including Hong Kong, Macao and Taiwan, and 17.2 percent on the mainland in the first half of 2012.

At rival LVMH Moët Hennessy Louis Vuitton SA, the leading luxury group which owns a stable of top names including LV, Fendi and Kenzo, revenues were also boosted from Asia. "Sales to customers from China and America were particularly strong during the period," LVMH said.

"The growth of China's luxury market was going slow in the first half of 2012, along with the slowdown in China's economy, but the market will continue to increase," said Zhou Ting, a researcher on luxury goods and services at the University of International Business and Economics.

She said that it won't just be first-tier cities which will continue to sell plenty of luxury goods, as there is also huge potential in the country's smaller cities.

## Movie Director Faces Public Scrutiny

**Zhang Yimou**, a famous Chinese filmmaker and director of the 2008 Beijing Olympics opening and closing ceremonies, underwent public scrutiny after it was exposed that he had been hired by Beijing Xinshike Film and Culture Development Company to direct a promotional video for the Ministry of Railways.

The video, which cost 18.5 million yuan (\$2.9 million) to make, has triggered a corruption investigation into a married couple who are both ministry officials.

In an interview with a news website of Xinhua News Agency, Zhang said he was paid to give advice on artistic style for the video and accepted 2.5 million yuan (\$397,000) in after-tax income as payment. Although the video credited Zhang as director, he said his name should not have been listed as such in accordance with the contract. Zhang said he later learned of the video's cost and corruption allegations through online reports. In the future, he said he will do more research to gain a clearer idea of his involvement with projects. Zhang vowed to cooperate with authorities in disposing of his earnings.

Zhang, 62, is one of China's most successful film directors, directing such movies as *Red Sorghum* (1987), *Curse of the Golden Flower* (2008), and *The Flowers of War* (2011). Movie stars Gong Li and Zhang Ziyi have become famous for acting in his movies.



**NEW BRIDGE** The main body of Jiaxing-Shaoxing Bridge on the Hangzhou Bay, east China's Zhejiang Province has completed and will be put into operation at the end of this year. It will halve the travel time to 1.5 hours between Shaoxing and Shanghai

**900** million yuan

Insured losses resulting from a severe rainstorm that hit Beijing on July 21 have climbed to about 900 million yuan (\$141 million), said the city's insurance regulatory commission.

**1.02** million

The latest edition of the Hurun Report indicated that the number of multimillionaires with more than 10 million yuan (\$1.6 million) in China reached 1.02 million as of the end of 2011.



XINHUA/AF

Argentine President Cristina Kirchner (left) shows the new 100-peso bill featuring the portrait of Eva Duarte de Peron, popularly known as Evita, the second wife of three-time Argentine President Juan Peron, in Buenos Aires on July 25

## ARGENTINA



XINHUA/AF

A group of women, many of whom have lost a relative to violence, take part in a demonstration to protest against insecurity in Caracas on July 28. The half picture they held up is the face of a woman whose entire family was murdered

## VENEZUELA



XINHUA/AF

An AMC movie theater in Los Angeles. On July 25, China's Dalian Wanda Group received approval for its purchase of AMC Entertainment Inc., the second largest movie exhibitor in the United States, which will create the world's largest cinema operator

## THE UNITED STATES



XINHUA/AF

A member of the Indonesian National Police inspects a preserved body of the critically endangered Sumatran tiger at a warehouse in Cibubur, south of Jakarta, on July 25. Police seized 14 preserved tiger bodies near the Indonesian capital

## INDONESIA



XINHUA/AF

A worker rides a boom lift for an inspection before the start of a new restoration of Rome's ancient Colosseum on July 31. Long-delayed repairs to the titled Colosseum are scheduled to begin in December

## ITALY



XINHUA/AF

Locals in traditional costumes stage a horse race in Minamisoma, Fukushima Prefecture, on July 28. The annual race kicked off for the first time since the radiation accident at the Fukushima Daiichi Nuclear Power Plant in 2011

## JAPAN

COVER STORY

# SAY GOODBYE TO RICKETY LIFE

Liaoning completes renovations of its shantytowns By Yin Pumin



FEI QIANG

SAYING GOODBYE: Residents of the shanty Qingcaogou Community in Fushun move out to new homes on November 30, 2006

**G**uo Yonghai finally realized his dream of better living conditions when his family moved into a 45-square-meter apartment at the new Modi Community in Fushun, northeast China's Liaoning Province. "We had lived in an old 25-square-meter shanty. Thanks to the government policy, we were granted a new apartment for only 12,000 yuan (\$1,904.76)," Guo said.

From 2005 to 2011, a total of 706,000 families like Guo's have moved out of shantytowns in Liaoning Province, according to the provincial Housing and Urban-Rural Construction Department.

Figures from the department show that by the end of 2011, 29.1 million square meters of shantytowns had been renovated and 44.02 million square meters of new apartments had been built, improving living conditions for 2.11 million residents.

"The task of renovating the province's concentrated shantytowns has been basically accomplished," said Department Director Wang Zhenggang, adding that more than 90 percent of the renovation project has been completed in the cities of the province.

## A great achievement

Liaoning Province had the largest area of China's concentrated shantytowns. In order to improve the living conditions of residents, an ambitious project of renovating shantytowns was launched by the provincial government in 2005 and approved by the State Council, China's cabinet.

Liaoning was a national industrial base during the early 20th century and for a fairly long period after the founding of the People's Republic of China in 1949. It was home to major coal mines and heavy industries vital for the country's economy and development.

During Japan's colonization of northeast China before and during the War of Resistance Against Japanese Aggression (1937-45), when large amounts of mineral resources were transported to Japan, and the



A PITIFUL LIFE: People lead their life at a shantytown in Dongzhou District in Fushun, Liaoning Province, on February 9, 2005

New China's exploitation, when coal and other minerals from Liaoning fueled factories all over China free of charge, large areas of makeshift work sheds were built for miners and became homes to their offspring in the following decades.

In the past couple of decades, with the eastern coastal provinces driving the country's development, Liaoning has been left far behind. Compounding this problem is the large number of laid-off workers, who lost their jobs as the country launched a large-scale reform of state-owned enterprises (SOEs). This made the living conditions in the shantytowns even worse.

Bone-chilling winters without heat, corroded walls and roofs that threaten to cave in at any moment were all waking nightmares

for shantytown residents, some of whom even have been injured by falling bricks.

In the old Modi shantytown in Fushun, the list of woes used to read almost like a horror story—no tap water, no heating, no paved roads, no clean toilets and no primary school. In fact, its only primary school closed down in the mid-1980s because nobody wanted to send their children there.

Fushun was a major coal base from the 1950s to the 1980s and employed about 20,000 workers at its peak. But even then, local SOEs didn't provide enough houses for the workers before the 1990s because the motto then was "production overrides the principle of leisure." In the early 1990s, most of the mines went bankrupt because coal de-

**"The number of reconstruction areas in Liaoning is almost twice the average number per year required by the UN Millennium Development Goals, which will be an immense achievement in any country or region."**

—Wang Weiguang, Executive Vice President of the Chinese Academy of Social Sciences



posits had been depleted.

The laid-off workers began settling in large groups on the outskirts of the city in the last decade. Since these settlements were not planned, they lacked even the basic amenities. The result was that conditions worsened as the surrounding areas developed, and came to be called “villages in the city.”

Fushun government figures show that its shantytowns were spread over 3.18 million square meters where 320,000 people, or one fifth of its population, lived before the massive reconstruction of shantytowns.

The Fushun Municipal Government began a pilot project to transform the shantytowns as early as 1987. But it could not afford to pay for it alone. In 2003, it tried to induce real estate developers to overcome the problem. But the shanty dwellers protested vehemently against the move because they said they wouldn’t be able to pay for a new house elsewhere with the compensation paid to them for their relocation.

“The local government alone could not solve the problem. The provincial and central governments had to give a helping hand,” said Liu Guoqiang, Director of the Fushun Information Office.

In fact, shantytown renovations in the province were progressing slowly until 2005. Large amounts of financing subsidized by the Central Government were invested into the reorganization of industries in an effort to boost the northeast China’s heavy industrial base. Real estate developers were disinclined to invest considering the bad locations of shantytowns, which were either far from the city center, or very near collieries, fearing the ground may sink into the

excavated earth in the future.

Among Liaoning’s nearly 2 million shantytown residents, mostly coalminers and their families, seven out of 10 relied on government relief. Senior citizens, the impoverished and unemployed made up a majority of shantytown residents. They had no money to buy new homes or to move from the shanties, thus the government and social welfare were a last resort for them.

In December 2004, former Liaoning Party Secretary Li Keqiang visited a shantytown housing thousands of families in Fushun. Shocked by the miserable living conditions, Li promised to fulfill their long-awaited hopes. “We have resolved to settle your problems. It won’t be too long,” he told a resident.

Starting in March 2005, the large-scale shantytown renovation project swept through 11 cities, mostly natural resource-exhausted cities in Liaoning. In June 2005, the Modi shantytown in Fushun also started its transformation. By the end of that year, 13 six-story residential buildings had come up.

Most importantly, the residents paid small amounts to get their new houses. According to the house distribution methods, each family can acquire the same area as the room they moved out of for free, and the extra area of a bigger flat was sold for 600-800 yuan (\$95-127) per square meter, a third or half the market price. “On average, a family had to pay just 10,000 yuan (\$1,587) for a new house,” said Wang Yajun, chief of Modi Community neighborhood committee.

Residents saw their dreams come true when they moved from the shantytowns into

the new apartments, which are equipped with all the necessary residential facilities and employed medical staff, security guards and property managers working in the community. Heating, gas and electricity fees were slashed to make them more affordable.

Along with the housing project, high unemployment and other social problems stemming from the existence of shantytowns were addressed within a working coalition of different governmental sectors.

According to Liaoning Housing and Urban-Rural Construction Department, in the six years from 2005 to 2011, more than 100,000 employment opportunities were provided to former shantytown residents, solving the employment problems for more than 23,000 families. Eighty percent of those laid-off workers found jobs again.

Within the six years, average family revenue has increased 10,207 yuan (\$1,620) annually, up 49 percent, according to the department.

“The shantytown renovation project is not only about living but also about social justice and stability,” said Guo Enzhang, a professor at the China Urban Planning Society.

According to an assessment report released by the Chinese Academy of Social Sciences (CASS) in June, more than 90 percent of former shantytown residents in Liaoning think their social status has been greatly improved and 85.7 percent believe social security has been obviously improved.

## An international model

Wang Weiguang, Executive Vice President



(Left) HEARTY LAUGHS: Chinese Premier Wen Jiabao (second left) and Li Keqiang (second right), then Liaoning Party Secretary, talk with Fei Guirong (left), a former shantytown resident who just moved into a new apartment in Fushun on February 16, 2007

A ROOM WITH A VIEW: Jin Guixiang (left) and her granddaughter look at the new buildings outside the window of their new apartment in Fushun

of the CASS, said that the renovation of shantytowns in Liaoning Province created a world wonder.

“The number of reconstruction areas in Liaoning is almost twice the average number per year required by the UN Millennium Development Goals, which will be an immense achievement in any country or region,” Wang said, adding that the “government guided market operation” mode explored during the shantytown renovation will provide a good model for other places and countries.

Facing the problem of a funding shortage, the Liaoning Provincial Government made a series of special policies to raise funds in various ways in a short time. The most creative one is the fund-raising mode of “government plus market plus society,” which means under the guidance of the government, using market ways to attract social funds.

After years of market operation, many cities have realized the obvious increase in their fiscal revenues by transferring the land vacated from renovated shantytowns. In the six years from 2005 to 2011, the whole province obtained land of 134 square km by renovating shantytowns and raised 2.42 billion yuan (\$384.13 million) in funds.

“The fund-raising mode activated the movement of funds between enterprises and public foundations, successfully proving the mode’s historic and systematic meaning,” said Banji Oyelaran-Oyeyinka, Director of the Global Monitoring and Research Division of UN-HABITAT who provided research for and helped formulate

the CASS’ assessment report in January-February.

In order to guarantee the efficient use of renovation funds, special accounts under close supervision were founded. The funds would be directly transferred from the city-level financial supervision departments to construction companies to reduce the chances of embezzlement. Meanwhile, to further strengthen the daily supervision to the renovation funds, an independent account system was adopted by audit and financial departments in managing the income and expenditure.

“Another significance of the Liaoning shantytown renovation is that it showcased some systematic innovation,” said Banji. “The shantytown renovation project provides great opportunities for these cities to realize their economic structure transformation and to find new economic growth engines.”

Meanwhile, the shantytown renovation project is an important part of the strategy of promoting all-round social development. With flexible policies and systematic innovation, the renovation project enabled former shanty residents to enjoy the same social services as other residents.

Currently, the three-level social security system has been established in districts, streets and communities, covering retirement pensions, unemployment insurance, medical insurance and subsistence allowances.

The last innovation is about property rights. After completion of shantytown renovation, the government adopted flexible forms to satisfy residents’ different requirements to

property rights. These forms include full property rights, partial property rights and limited property rights plus low rents.

“In all, the shantytown renovation in Liaoning put emphasis on cities’ balanced development, which guarantees the combination of the current renovation and the future innovation of those cities,” said Banji. “Liaoning’s experience provides guidelines not only to other Chinese provinces but also to other countries in transforming shantytowns.”

With the experience, the Chinese Government pledged to speed up the transformation of shantytowns in cities around the country in the coming years, according to the National Human Rights Action Plan of China (2012-15).

According to the Ministry of Finance, 6.5 billion yuan (\$1.03 billion) has been allocated from the central budget to fund the country’s shantytown renovation projects.

The money will be used to fund the government’s shantytown renovation scheme, including the relocation of shantytown residents and construction of new houses and infrastructure facilities, the ministry said.

The amount has brought the Central Government’s total investment to 27.7 billion yuan (\$4.4 billion) this year in the scheme, which is expected to benefit 1.9 million urban households nationwide. ■

# Let Syrian People Decide

Violence and conflict in Syria have been ongoing for 18 months, and the security situation there continues to deteriorate. *Beijing Review* reporter Ding Ying recently interviewed [Imad Moustapha](#), Syrian Ambassador to China, who shared his opinion on Syria's situation. The ambassador stressed that only Syrian people have the right to decide the country's future. Excerpts of the interview follow:

***Beijing Review:* Why do you think violence has persisted in Syria? Is there a civil war in Syria?**

**Imad Moustapha:** I absolutely reject the term "civil war." A civil war indicates that two factions of the people are fighting against each other. It is not our Syrian people who are fighting against other Syrians. The current situation is the national army and security forces in Syria are fighting against armed terrorist groups that are armed and financed by foreign powers.

If the foreign powers had stopped supporting the terrorist groups with arms and money, and most importantly providing safe havens where they can hide, the violence would have stopped many months ago.

**What does the opposition want? Is there a possibility that the Syrian Government can carry out some reforms to satisfy the opposition?**

This is a very interesting question. First, nobody knows what the opposition wants, because we have 300 groups of opposition. The majority of them don't know each other, and they don't talk to each other. The only thing we know is their source of financing is from some regional countries. The question is whether they have interest in reforms or not.

Syria has a very advanced political system. We have a multiparty system, and we have a multiparty election. These groups usually adhere



Imad Moustapha

to extreme Islamic radical fundamentalist viewpoints similar to those espoused by Al Qaeda, which means those guys are not interested in the democratic process, not in political reforms, not even in a normal ordinary life for Syrian people. They want to direct Syria back into the situation similar to that in Afghanistan. These are violent groups, bloody groups. And they are extremists. They disregard political rights, even civil rights for women or for minorities, or for anyone who does not follow their extremely fanatic interpretation of Islam.

**Is it possible for all parties to sit together?**

**If not, what is the obstacle?**

We need to make a distinction between what we would call patriotic Syrian opposition and Syrian opposition groups that are really mercenaries who take their money from Western powers and who have no independence whatsoever to make decisions. We believe there is a great opportunity to sit with the patriotic opposition who believe in Syrian values. We are willing to find compromise with them, and we are willing to find solutions with them.

Only through dialogue with the patriotic opposition, we can find solutions. But there is also the opposition based in London, Paris and Washington. They spend their time traveling from one five-star hotel to another five-star hotel, in one capital to another. They travel business class using foreign money and they meet Western leaders. Leaders of friendly countries like those of Russia and China met with them and asked them to engage, but they refused. They don't refuse because they think it's good or bad, they refuse because these are the orders they received from Washington. They don't have the freedom to say yes or no. Only if Washington would tell them to sit down and engage in a dialogue, they will. They are irrelevant, because they do not represent Syrian people, not even the Syrian opposition.

The Syrian opposition is mainly patriotic opposition. They do not support armed violent groups, they do not support terrorism. However, they disagree with the government on policies. This is their right and we are willing to sit with them and engage them in a serious constructive political dialogue. Whatever is decided upon by Syrian people, we will freely and democratically approve. The choice should be given to Syrian people.

**How do you see Syria's future? And how can there be a resolution?**

We are moving on three parallel courses



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## **If the foreign powers had stopped supporting the terrorist groups with arms and money, and most importantly providing safe havens where they can hide, the violence would have stopped many months ago**

simultaneously. Each course is independent from the others:

On the first road we are obliterating the armed terrorist groups, and we will destroy them. We are fighting against the terrorists, instead of tolerating them. It's a war between us and them. We can never allow them to prevail.

The second path is political reforms and social reforms in Syria. Syria has engaged in very profound, serious political reform. We have drafted a new constitution. It is the most liberal and democratic constitution across the whole Arab world. We have held general elections, and we have allowed passage of new laws and the formation of political parties in Syria. We have passed a large number of very democratic and liberal laws. These laws combined have dramatically changed the political scene in Syria. And we will continue to do this. We believe it's the best road forward for Syria.

The third road is that of being ready and willing for a political engagement with the opposition, even the armed opposition, if they are willing to put down their arms and engage in a political dialogue instead of a violent confrontation. But this does not depend solely on us. We need other parties to agree. The moment they are willing to drop their arms, we are willing to engage them in the political process.

### **How would you evaluate the role of the United States in the current crisis?**

The United States does anything possible to introduce death and destruction to Syria, hoping it can lead Syria into a civil war, or hoping there is a way to find permission from the UN Security Council to launch a war of aggression against Syrian people to destroy Syrian cities and to dismantle the Syrian social fabric. This is exactly what has been done in Iraq and Libya.

Fortunately, I think this time they will not meet success, because first, Syria is a very strong country and Syrian people are very patriotic, and they are not falling prey to propaganda from the West, and second, the very strong position taken by China and Russia at the UN Security Council to support the free will of Syrian people has prevented the United States from having its design to go through the council. This is why Syrian people feel great gratitude for both China and Russia, and also for India, Brazil and South Africa. We believe that they have done a great favor not only for Syria, but the whole international community.

### **How will Syria react to the Arab world's opinions on the current situation?**

The Arab world today is suffering from a great disunity. Many other Arab countries would just follow U.S. policies and directives. This is very sad and unfortunate, but I believe the overwhelming majority of Arab people across the Arab world, understand this is a Western-led campaign against Syria that only serves the interests of the West, not the people of our region.

### **Syria's economy has been hurt in the turbulence. What's your opinion on the current economic situation in Syria?**

The Syrian economy has been badly hurt by the terrorist acts across Syria. These terrorist groups not only attack policemen and army units, they also attack infrastructure like electricity plants, water supply units, dams, bridges, hospitals and schools. They set ablaze factories that are owned by businessmen who refuse to join the armed opposition. This has caused considerable damage to the Syrian economy.

Also, the Western powers led by the United States have imposed severe sanctions

on Syria. Now the Syrian economy will face difficulties from which it will not crumble or fall for a simple reason: For decades, we have centered on self-sufficiency. Not only do we produce most of our food, but also for the past 30 years we have been exporting food to neighboring countries. We produce 70 percent of the pharmaceutical drugs we need, and the other 30 percent we will import from countries like India and Cuba. We produce the clothes we wear. We have an economy that is very flexible, and can be readjusted and readapted.

The economic sanctions are making our life difficult, but it's an opportunity to learn how to overcome these sanctions, and help strengthen our economy. The sanctions are bad for us, but in a way they are good because they have highlighted the weaknesses in our economy. This is our opportunity to address those weaknesses. One good thing is that until the crisis, Syria is one of few countries that had no international debts, almost zero. For the past 30 years, we have depended mostly on ourselves. We were not in the business of borrowing money from other countries, so our self-sufficiency has helped us a lot to withstand the economic pressure of this crisis. This is driving the United States crazy, because they really hoped that by August last year the Syrian economy would collapse and the Syrian state would collapse.

We are already making new trade with new partners and strengthening our already existing deals with partners like Venezuela, Russia, Iran, India and China. We believe we still have ample opportunities to develop despite all the hardships. ■

(Please visit [www.bjreview.com](http://www.bjreview.com) for video)

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# Syria in the Eye Of the Storm

Fighting between the Syrian Government and opposition groups will drag on before the country's future becomes clear By Ding Ying

If the situation in Syria were a storm, the country is now approaching the eye of the hurricane after 18 months of conflict. Intense fighting between government forces and rebels broke out in the country's second largest city Aleppo, and insurgent forces claimed the city will see a decisive battle to end the Bashar al-Assad administration.

Chinese political observers noted that the Syria issue has become more complicated with the involvement of Western countries and neighboring countries in the region. They believe the Syrian Government is capable of resisting the rebels longer than Western countries expect, and insist that Syria's peace should be made by Syrian people through communication and negotiation.

## Assad still in control

The security situation in Syria is undoubtedly deteriorating. On July 18, four high-ranking security officers were killed in an explosion in Damascus, including Assad's brother-in-law. Moreover, hundreds of thousands of Syrians have become refugees after fleeing violence between government forces and insurgent groups in Damascus and Aleppo in late July. Meanwhile, Western countries and some countries in the Gulf publicly offered assistance to the rebels, heightening pressure on the Assad administration. As the Syrian Government stepped up its attacks on Aleppo, U.S. Defense Secretary Leon Panetta called for efforts to "bring the Syrian regime down."

Chinese analysts predicted that the Syrian Government, for the foreseeable future, remains strong enough to crush the well-armed insurgents. In their view, the battle over Aleppo won't be the end of fighting in Syria.

The opposition's forces are apparently

equipped with better weaponry in the most recent battles in Aleppo than in gunfights in Damascus, but are still not able to compete with the government's firepower, said Liu Baolai, a former Chinese ambassador to several countries in the Middle East and a research fellow with the China Foundation for International Studies, in an interview with *Beijing Review*.

"The armed forces of the opposition are

still weak, scattered and disunited. The war between the opposition and the government is essentially guerilla warfare," Liu said. For example, the opposition once occupied some areas of Damascus, but soon withdrew instead of stationing there, he explained.

Liu added, "I personally believe government forces still dominate Aleppo and the Assad administration can control the country as a whole. The opposition wants to make Aleppo their base camp, similar to Benghazi in Libya before Muammar Gaddafi was defeated. But it is not quite possible in the short run." Liu pointed out that differences inside the opposition are too serious to form a powerful leadership. There is no Syrian opposition group that is truly united with other factions, he added.

Yin Gang, a senior research fellow with the Chinese Academy of Social Sciences, agreed that Syria will remain in a stalemate between government forces and insurgent groups for some time. It is still too early to say which side is going to win, he said, and the decisive battle will not start unless



ARMED OPPOSITION:  
Syrian rebel fighters in  
a village near Aleppo on  
July 30

## “The West’s Syria policy only encouraged the opposition and their armed forces’ intransigence and sharpened the conflict between the Syrian Government and the opposition.”

—Jia Xiudong, a researcher with the China Institute of International Studies

Assad abandons Damascus and retreats to the Latakia mountain area.

### Foreign intervention

Chinese observers believe that foreign intervention is making the situation even more complicated. After months of turmoil, Syria has become an arena for diplomatic competition. Western countries, intending to bring down the Assad administration, declared new sanctions against Syria. Some regional countries also offered political, financial and military assistance to the Syrian opposition.

Jia Xiudong, a researcher with the China Institute of International Studies (CIIS), criticized Western countries’ Syria policy for accelerating and aggravating a civil war. Europe and the United States supported former UN Secretary General and UN-Arab League peace envoy for Syria Kofi Annan’s initiative politically, but were inclined to oppose his peace plan, he said.

Disappointed over the lack of progress in the Syrian peace process, Annan said he would step down after his current mandate expires at the end of August.

Moreover, Western countries failed to persuade the opposition to adhere to the ceasefire agreement. “The West’s Syria policy only encouraged the opposition and their armed forces’ intransigence and sharpened the conflict between the Syrian Government and the opposition,” Jia said, warning, “If they refuse to change their Syria policy, there will be more bloodshed, humanitarian disasters and regional turmoil.”

Liu said the West will not launch military intervention in Syria anytime soon, adding that it will be difficult to copy the Libya model in Syria.

Syria is known as the heart of the Middle East because it carries different

countries’ interests due to its geographic location and its political influence in the region. “Once the West launches military strikes against Syria, it will trigger conflicts in the region, which could send the situation totally out of control,” Liu warned.

“The Syrian government forces are too strong to be defeated in the near future. If the West cannot fight and win a battle quickly, they will not allow themselves to be dragged into a war that they have no confidence in winning,” Liu added.

Furthermore, the United States, which heads the Western countries on the Syria issue, will hold the presidential election in November this year. U.S. President Barack Obama, who wants to win another presidential term, will not jeopardize his reelection by opening fire on a country in the Middle East. Meanwhile, EU members are still struggling with the spreading debt crisis and lack the time, energy or money to conduct a military operation.

“Most importantly, without the UN Security Council’s support, the West must consider the consequences of sending troops to Syria without a just cause,” Liu said.

### A political solution

Liu said in the face of turbulence that was triggered by accumulated domestic disputes, a political solution and peaceful negotiation will be the best and only way out of the current stalemate.

The root of Syria’s crisis lies in domestic problems caused by poverty, a poor economy and a growing gap between social classes, Liu pointed out. Like in many other countries in the Middle East, the Assad family has run Syria for decades under the same mechanism. Some Syrians hoped to see some changes after political turmoil swept Egypt, Yemen, Tunisia and Libya. President Assad tried to conduct reforms in the country, but events unfolded too fast for him to implement the reform plan.

Aside from the global financial crisis aftermath, religious differences also helped create the current situation in Syria, said Liu. For now, the Sunnis are controlling nearly all of the Middle East, and hope the Sunni population in Syria can rise to dominate the

country. Currently, the ruling class in Syria is composed of the Alawis, a Shiite branch of Islam.

Li Guofu, a senior research fellow with the CIIS, worried that the crisis in Syria could initiate religious conflict between Sunnis and Shiites in the region. The two Islamic sects’ attitudes on Syria are very clear. Sunni-controlled governments and parties are supporting the opposition, while Shiite-led governments are opposing sanctions or advocating non-involvement. We cannot ignore the possibility that Syria’s crisis may spread to the neighboring region if the situation deteriorates further, Li warned.

Military action is not the solution to this issue, said Liu. Since the West is unlikely to conduct a military strike against Syria, the Syrian opposition is hardly a match for government forces. The Syrian Government, along with its only ally in the region with a Shiite regime, Iran, has their own problems to deal with, so it will be difficult to exterminate the insurgent forces.

Both sides should accept the reality that they cannot defeat each other easily, said Liu, and only then they will come back to the negotiating table to find a political solution.

On July 30, UN Secretary General Ban Ki-moon reiterated that the UN Supervision Mission in Syria remains a key tool for a peaceful solution to the Syria crisis based on Annan’s six-point plan as well as the June 30 Geneva communiqué, which urged all Syrian parties to stop violence and engage in negotiations. The only solution, he affirmed, is a Syrian-led transition that meets the legitimate aspirations of Syrian people.

“I call on all sides to take immediate steps to meet the Security Council requirements, and give Syria the chance it needs to move beyond the violence and onto the path to peace,” Ban said.

Liu suggested such negotiations should be held as early as possible. If Al Qaeda becomes fully involved in the Syria situation, the entire region will see even bigger troubles, said Liu. ■



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