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AIMING HIGH

What the public expects for
the CPC's 18th National Congress

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THE DESK

2 The Challenges Ahead

THIS WEEK

CPC CONGRESS REPORT

WORLD



26 Continued Calls for Peace
Repairing bilateral ties with Japan won't be easy

28 From the Confines to the Core
A reflection of Sino-German relations

30 Brain Circulation
Forging closer China-U.S. cooperation in higher education

NATION



32 Safe and Sound
Making rural homes earthquake-resistant



10 CPC Congress Report

Future expectations

10 The Hopes of the People

The public looks to better changes for the nation

12 More Diverse Representation

Congress delegates bring new voices to the Party

16 A Decade of Dreams Fulfilled

A look back at the last 10 years through pictures

20 China's Upper Hand

The country packs an economic punch

22 Toward a Stronger Socialism

Former German ambassador on the China Model

23 Building a Better Livelihood

Japanese economist sums up China's past decade

BUSINESS



36 No Big Money Exit
Picking apart claims of "capital flight"

38 A Helping Hand
Coming together across the Straits

40 Market Watch

CULTURE



44 Reviving the Past
Traditional Chinese culture at Beijing Fashion Week

46 The Street Singer
A student shares her tales of performing on the street

EXPAT'S EYE

48 Business and Culture
China up and close

The Challenges Ahead

The 18th National Congress of the ruling Communist Party of China (CPC) will kick off in Beijing on November 8. The conference will elect a new Party leadership. International media are calling it an event of great global significance alongside the U.S. presidential election.

The leadership change of the Party will significantly influence the political, economic and social development of China. The upcoming Party leadership faces a number of challenges, questions and expectations in managing the world's most rapidly growing and populous country.

The country has ranked as the second biggest economy in the world since 2010. China is expected to realize its goal of becoming a moderately prosperous country by 2020. Therefore, the next 10 years are crucial to fulfilling the nation's development goals. In light of a global economy that is widely affected by the current financial crisis, it is of absolute importance to maintain stable economic and social development. In the past several years, China has taken measures to maintain steady growth and adjust its economy to achieve quick recovery. Only by addressing the current bottleneck of development can China make its ambition of national revival come true and contribute more to the world economy.

Another major focus for China is combating corruption. Whether this problem can be adequately addressed is vital to the Party's credibility among the public. In a recent speech on August 21, He Guoqiang, Secretary of the Central Discipline Inspection Commission and member of the Standing Committee of the Political Bureau of the CPC, indicated that the 18th National Congress of the CPC will map out new ways of fighting corruption. He stressed that future anti-corruption work will focus on strengthening the penal system. Thus, how to effectively fight corruption is a major test the new leadership is faced with.

In addition, there are many other issues that people expect to be addressed, such as problems pertaining to rural life and agriculture, soaring prices, housing, education, medical care, employment, income disparity and environmental protection. All of these issues concern the people's well-being and call for an immediate solution.

Despite serious challenges ahead, the reality of past decades shows that China only improves itself with the convening of each national congress of the CPC. Hopes are high that the 18th congress will again prove this point. ■

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Please provide your name and address along with your submissions. Submissions may be edited.

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Ten Years in Review

A photo exhibit featuring China's achievements over the past decade opens at the Beijing Exhibition Center on October 26. The exhibition is composed of 10 parts, covering the country's rapid economic growth, the building of its political democracy and its cultural development.

More than 2,000 photos and 200 charts, as well as videos and electronic albums, provided a detailed account of China's success in improving the livelihood of its people.

“China has made technological breakthroughs in spaceflight with the success of its manned space missions. Space travel for ordinary people is only a matter of time.”

Yang Liwei, Deputy Director of the China Manned Space Engineering Office and also China's first astronaut, speaking at the opening ceremony of an exhibition of China's manned space program in Shanghai on October 27

“New mainstream customers rely more on the Internet, take emotional considerations into account when making purchases and prefer online shopping.”

Max Magni, partner and head of McKinsey's Greater China consumer practice, elaborating on the characteristics of “the new mainstream customers,” following the release of the 2012 annual report of Chinese consumers by McKinsey & Co., on October 28

“China cannot rely on an unlimited labor supply for its future economic development.”

Cai Fang, Director of the Institute of Population and Labor Economics under the Chinese Academy of Social Sciences, suggesting on October 26 a loosening of China's family planning policy as an aging population poses a severe challenge for the country's future development

“They need more room to develop themselves, not only by meeting their essential needs, but also through the fulfillment of a whole range of personal demands.”

Tao Chuanjin, Director of the Research Center of Philanthropy and Social Enterprise at Beijing Normal University, calling for more attention to the overall development of migrant children, following the release of the Framework to Study the Needs of Children in China 2012 on October 30



RESCUE VOYAGE TO GO Rescuers attend a ceremony on October 31 to deliver the *Dong Hai Jiu 101*, China's largest rescue and salvage vessel with a loaded displacement of 6,513.13 tons

Greater Police Transparency

The Ministry of Public Security has issued a new decree that will increase the public's awareness of the job responsibilities of police officers.

The move, which will come into effect on January 1, 2013, is meant to ensure more transparency regarding police actions, said the ministry on October 30.

The ministry has issued the new rules based on information obtained in recent years by police departments in some localities. These departments have tried new methods of law enforcement, such as Internet-based information services and case-handling activities.

Soil Pollution Control

The Chinese Government has pledged to launch a national program on soil protection as part of ongoing efforts to improve the environment.

The pledge came out of an executive meeting of the State Council, China's cabinet, on October 31.

A six-year government-led study found that the country's soil has been vastly polluted by human activities in the industrial, mining and farming sectors.

The State Council decided to strictly protect the soil of cultivated land, bring pollutants under control, strictly monitor and control risks threatening the soil environment, and

carry out programs to control and rehabilitate polluted soil.

Food Inspections

Chinese authorities uncovered 169 batches of substandard imported food in September, according to figures released by China's General Administration of Quality Supervision, Inspection and Quarantine on October 30.

The substandard food, which came from 31 countries and regions, covered 14 categories, mainly dairy products, pastries, biscuits and beverages, said the administration's spokesman Li Yuanping.

The administration also uncovered seven batches of substandard cosmetic products imported from three countries or regions, which carried wrong labels, contained unqualified additives, or did not match their certificates.

These products were either sent back or destroyed and did not enter the Chinese market, Li said.

Safe Water

About 298 million more rural residents in China will hopefully have access to safe drinking water by 2015, said a water resources official on October 29.

Resolving water safety problem for these rural residents and 114,000 schools in the countryside is listed as one of the govern-

A FEAST FOR THE EYES AND TONGUE

An eagle carved from pumpkin is displayed at the 2012 China Jiangsu International Food and Catering Fair in Nanjing, capital of Jiangsu Province, on October 27



Actor Awarded

Chinese actor **Chen Jianbin** won the Most Popular Actor award at the fourth China Image Film Festival in London on October 28 for his starring role in the film *People Mountain People Sea*, directed by Cai Shangjun.

The film is adapted from the true story of five brothers in southwest China's Guizhou Province who travel across the country by motorbike to track the murderer of their youngest brother. In the film, Chen plays farmer Lao Tie. It also won the Silver Lion at the 2011 Venice International Film Festival.

Chen said that it was not difficult for him to take on his first role as a farmer because of his experience as a child living in a village with his grandparents. Playing the role of Lao Tie made him reconnect with the essence of being a farmer, he said.

The China Image Film Festival was established in 2009 with the purpose of introducing more Chinese films to Britain and is the country's only Chinese-language film festival.



ment's priority projects, said Yan Guanyu, Deputy Director of the China Irrigation and Drainage Development Center under the Ministry of Water Resources.

China will invest 175 billion yuan (\$28 billion) by 2015 to ensure supplies of safe drinking water in rural areas, according to a report in June by Vice Minister of Water Resources Li Guoying.

Over the past decade, China has spent 178.6 billion yuan (\$29 billion) on projects to improve water quality across the countryside, benefiting 326 million rural residents, according to data from the ministry.

Smart Nursing Homes

China plans to build 100 hi-tech nursing homes for its ageing population within 10 years, the China National Committee on Ageing revealed on October 31.

The hi-tech system will feature modern communication and computer technologies. It will provide various services for the elderly, including medical care, education and entertainment facilities, said Zhu Yong, deputy head of the committee.

The system can also offer customized rehabilitation and mental care, Zhu said.

Construction of the first facility began on October 29 in Beijing, and will cover an area of 86,115 square meters.

China had about 185 million people above the age of 60 at the end of last year. The figure is expected to surge to 221 million in 2015.

Electricity Across Tibet

A solar power project is expected to bring electricity to villages in remote regions in southwest China's Tibet Autonomous Region, marking one of the final steps in the government's efforts to provide electricity to all rural Tibetans, a government official said on October 29.

Liu Qinghong, an official with the Tibet Regional Development and Reform Commission, said solar panels will be installed in 1,630 villages in Tibet by year's end, bringing power for the first time to schools, monasteries, public venues and homes in remote areas.

The Golden Sun solar project, estimated to cost 1 billion yuan (\$160 million), started in 2008. The government has pushed for full power coverage in Tibet by extending major grids, building small hydropower stations and installing solar panels in remote areas.

Human Genetic Research

China on October 31 began soliciting public opinion on a draft regulation over materials related to genetic research that highlights im-

proved protection.

The 50-article draft was designed to replace the existing interim measures on human genetic research, which was introduced in 1998, according to a statement posted on the Central Government's website on October 31.

The draft proposes the all organizations involved in the collection and storage of human genetic resources be licensed.

Such organizations must set up internal ethics supervisory boards and submit annual work reports to provincial science and technology authorities, according to the draft.

As defined in the draft, "human genetic resources" refer to genetic materials such as human organs, tissues, cells, DNA and DNA products, which contain the human genome, genes or gene products, as well as information extracted from such genetic materials.

The draft is open to feedback until November 29.

Massive Telescope

Scientists unveiled a new radio telescope in Shanghai on October 28.

The telescope, located on Sheshan Mountain, will be used to track and collect data from satellites and space probes.

The newly-built radio telescope can pick up eight different frequency bands and also track deep space probes, said Hong Xiaoyu, head of the Shanghai Astronomical Observatory.

The telescope will be used for the Very Long Baseline Interferometry (VLBI), a type of astronomical interferometry used in radio astronomy, to collect data and increase its angular resolution during astronomical observation.

China's VLBI system is made up of four telescopes found in the cities of Shanghai, Beijing, Kunming and Urumqi, and includes a data center in Shanghai.



FILM AWARD Han Sanping, Board Chairman of the China Film Group, receives an award honoring his achievements in film at the opening of the Eighth Sino-U.S. Film Festival in Los Angeles on October 26

STORMY WEATHER Strong winds hit Sanya, Hainan Province, on October 27, bringing rainstorms and gale-force winds to China's southern coastal areas





A NEW BRIDGE The floor paving of the Yangtze River Bridge in Huanggang, central China's Hubei Province, is completed on October 31, which is expected to open at the end of 2013

Easing liquidity

The People's Bank of China, the country's central bank, conducted a massive repo injection through open market operations on October 30.

It injected a record high 395 billion yuan (\$62.7 billion) into the financial system via reverse repos in order to ease a cash squeeze at the end of the month.

The central bank conducted seven-day reverse repos worth 290 billion yuan (\$46.49 billion) and offered 105 billion yuan (\$16.83 billion) in 14-day contracts. Bid interest rates remain stable at 3.35 percent and 3.6 percent, respectively, said the bank.

Shi Lei, an analyst with Ping'an Securities, said the central bank's massive repo injection demonstrates its intention to stabilize market rates and bring them down to its target range.

The central bank conducted reverse repos when easing money supplies to prevent a rebound in housing and commodity prices.

"Open market operations will become the central bank's most important policy tool in managing liquidity," said Guo Tianyong, a banking researcher at the Central University of Finance and Economics.

Manufacturing Rejuvenates

China's manufacturing activity got a boost in October, official data showed on November 1.

The purchasing managers' index (PMI), a key gauge of manufacturing activity, rose to 50.2 percent in October from 49.8 percent in September, according to the China Federation of Logistics and Purchasing. A level above 50 percent indicates expansion.

"I think the October PMI will help support our expectations for better economic perfor-

mance in the fourth quarter than in the third," said Wang Jin, a macroeconomic analyst at Shanghai-based Guotai Junan Securities.

"Signs of stabilizing external demand, faster infrastructure investment and a thawing property market all bolstered a recovery in factory activity," he added.

Profits Decline

Net profits of Chinese listed companies dropped 2 percent year on year in the first three quarters, according to Wind Information Co. Ltd. (Wind Info), an integrated information service provider.

In the first nine months of the year, the country's 2,471 listed companies posted a total net profit of 1.49 trillion yuan (\$238.8 billion).

The 2,455 non-bank listed companies registered a net profit of 681.44 billion yuan (\$109.23

Numbers

100

The number of outlets Wal-Mart Stores Inc. plans to open in China over the next three years, which will create roughly 18,000 jobs, according to the U.S.-based retail giant on October 30.

4.94

 trillion kwh

The estimated electricity consumption in China in 2012, up 5 percent from a year earlier, according to the China Electricity Council on October 30.

billion), down 18 percent year on year.

In sharp contrast, 16 listed banks posted a total net profit of 812.77 billion yuan (\$130.29 billion), up 17 percent year on year and accounted for 55.4 percent of the total profits of the 2,471 listed companies.

The iron, steel, cement, coal and chemical industries suffered the most due to sluggish demand.

Credit Ratings

Dagong Global Credit Rating Co. Ltd., China's leading rating agency, on October 30 maintained both the local and foreign currency sovereign credit ratings for Russia as A.

It also rated the local and foreign currency sovereign credit of Iceland as BB and BB-.

Despite recent fluctuations, the export price of oil will remain high and help Russia stabilize its economic growth and achieve fiscal balance. It will also guarantee its current solvency, Dagong said.

Given mounting global economic uncertainty, Russia's fiscal strength is not strong enough, and its ability to withstand the risks of fluctuations in global oil prices looks relatively weak, thus preventing the country from acquiring a better rating, Dagong said.

As for heavily indebted Iceland, Dagong said that although the economy is recovering, the country's debt repayment ability still faces challenges. There were enormous risks in the banking sector and high levels of liability in the private sector.

Shares Unlocked

Chinese shares will be unlocked for trade in the country's equity markets in November.

According to the Shanghai and Shenzhen stock exchanges, more than 190 billion yuan (\$30.16 billion) worth of shares in 74 listed companies will be tradable on the markets in November.

This marks the second largest amount of

shares released for trading in a month this year.

The expiration of lock-up periods of initial and additional offerings will free 185.29 billion yuan (\$29.7 billion) of shares. The country's reform of non-tradable shares will contribute to 4.77 billion yuan (\$764.6 million) worth of newly tradable shares, according to data from the brokerage firm Southwest Securities.

The market value of the newly tradable shares surged nearly 82 percent from October, according to Southwest Securities.

Of the 74 companies, the newly tradable shares in Jiangsu-based liquid maker Yanghe Inc. reached 45.08 billion yuan (\$7.23 billion) in market value, according to its closing price on October 29.

Champion Coach

World famous Italian football coach, 64-year-old **Marcello Lippi**, won his first championship title in China when his Guangzhou Evergrande team defeated Liaoning, winning the second consecutive Chinese Super League championship this season.

Lippi, nicknamed the "Silver Fox," is one of the most successful football coaches in the world. He won the championship title in the Serie A league in Italy for five consecutive seasons from 1995 to 2003. In 2006, Lippi won the World Cup championship as the head coach of the Italian football team.

On May 17, Lippi was officially appointed as head coach of Guangzhou Evergrande, beginning

his new career in China. Lippi is the first world-class football coach to lead a Chinese football league and hopes are high that he can boost China's frail football scene.



MONEY-MAKING PLANTATION Farmers look after flowers at the Jiacun Village of Wangdu County, Hebei Province. The village has been actively developing its plantation sector, bringing in some 150 million yuan (\$23.8 million) in annual income

57.5 million tons

The estimated number of China's soybean imports in 2012, a record high and up 9.3 percent year on year, said the Ministry of Agriculture.

13.4 times

The average price Chinese are willing to pay for an apartment is 13.4 times their annual family income, said a survey by house.ifeng.com, Horizon Research Consultancy Group and World Union Property Ltd. on October 29.



THE UNITED STATES

Members of a rescue team at work in New York City on October 30. Record winds and flooding from Hurricane *Sandy* inflicted severe damage along the U.S. East Coast

WANG LEE



TURKEY

Istanbul residents attend a parade on October 29 to mark Republic Day, which commemorates the proclamation of the Republic of Turkey in 1923



A woman sits with her children at a temporary shelter in a village in west Myanmar's Rakhine state on October 28. Sectarian riots have displaced more than 20,000 people there

MYANMAR



A woman visits a Chinese ink wash painting exhibition in the Louvre, Paris, on October 30

FRANCE



Art students decorate pumpkins during a Halloween event in a shopping center in Bucharest on October 31

ROMANIA

<http://www.bjreview.com>



Farmers compete in a buffalo race in Chonburi Province on October 29

THAILAND



CELEBRATION: Farmers in Neihuang County, central China's Henan Province, arrange red peppers and corn into the flag of the Communist Party of China before the opening of the 18th National Congress of the Party

THE HOPES OF THE PEOPLE

China's plans for further development weigh heavily on the minds of the public in the run-up to the Party's national congress **By Wang Hairong**

The 18th National Congress of the Communist Party of China (CPC) begins on November 8 in Beijing.

The national congress is the highest leading body of the Party and is held every five years.

The congress will make strategic plans for China's reform and development with a focus on outstanding problems that have emerged during the country's development and issues that concern the people's interests, according to a statement issued on September 28 after a meeting of the Political Bureau of the CPC Central Committee.

"The 18th CPC National Congress is a very important conference to be held at a critical time when China is building a moderately prosperous society in an all-round way, deepening reform and opening up and accelerating the transformation of its economic development," the statement said.

It emphasized that the upcoming national congress will thoroughly examine current international and domestic issues and take into account new requirements for the country's development.

This year's congress will also elect the Party's new leadership, including the central committee, the general secretary and the political bureau of the central committee and its standing committee.

The CPC Constitution will be amended at the congress to reflect changes proposed by the CPC Central Committee since the Party's 17th National Congress in 2007.

Since the 16th CPC National Congress in 2002, the CPC Central Committee has implemented the Scientific Outlook on Development, which puts people first and calls for comprehensive, balanced and sustainable development instead of blind pursuit of gross domestic product (GDP) growth.

The upcoming congress will review the country's development in the previous decade create policies to guarantee future development, said Xin Ming, a professor at the Party School of the CPC Central Committee.

Xin said that the next five years will be a key period for realizing the country's goal of building a moderately prosperous society and the public will be watching closely.

Economic development

Economic development is at the heart of the CPC. "In leading the cause of socialism, the CPC must persist in taking economic development as the central task, making all other work subordinate," according to its Constitution.

In 1982, at the 12th CPC National Congress, the Party embarked on a path of socialism with Chinese characteristics.

A three-step development strategy for the

The 18th CPC National Congress is a very important conference to be held at a critical time when China is building a moderately prosperous society in an all-round way, deepening reform and opening up and accelerating the transformation of economic development

country's modernization was put forward in 1987 at the 13th CPC National Congress.

In step one, in the 10 years from 1981 to 1990, the country aimed to double its per-capita GDP.

In step two, per-capita GDP would double again from 1991 to 2000 in order for China to become a fairly well-off society.

In step three, by the middle of the 21st century, China will have basically realized modernization. Its level of development is expected to be on par with moderately developed countries.

The first two targets have been achieved. Now, the country is working toward the goal of building a moderately prosperous society by 2020.

Gao Chengyi, Deputy General Manager of the Xiamen subsidiary of China United Tally Co. Ltd., southeast China's Fujian Province, said that he expected the country to continue its strategy of social and economic development.

In an article published on Qstheory.cn, a website run by *Qiushi*, a publication for the CPC Central Committee, Gao said that he hopes the 18th CPC National Congress will further clarify the goals for the third step of development.

Lai Weimin, a Beijing-based researcher in economics and corporate strategy, said that he expects the Party congress will make policies to accelerate China's transformation from an export- and investment-driven growth model to a consumption-driven one. He also expects a policy announcement on plans for China to shift to service industries and high-end manufacturing.

"Successful transformations in these fields will help the country to mitigate international risks and solve deep-seated problems and conflicts that have arisen," he said.

In addition, Lai said that the country should boost the economy by creating a healthy business environment, further regulating the real estate industry, giving incentives to enterprises in strategic emerging industries, opening some investment areas to private capital, and creating a liberal social environment for entrepreneurs.

Social programs

The Party not only aspires to build China into a prosperous, strong and modern socialist country, but also into a democratic, culturally advanced and harmonious one, as indicated by the CPC Constitution.

During a recent interview with the Party's Internet portal CPC.people.com.cn, Chen Baosheng, Vice President of the Party School of the CPC Central Committee, said that in the past three decades, the Party has made great achievements in carrying out political reforms.

He added, however, that the political restructuring is still confronted with many problems that must be addressed.

"These challenges cannot be evaded. You must forge ahead. So I hope the 18th CPC National Congress will make new arrangements in these aspects," Chen said.

Wu Yingzi, Deputy Dean of the Law School of Nanjing University in east China's Jiangsu Province, suggested that the authorities strengthen its role in social management

and public service, and expand the public's participation in political affairs. He said that such efforts will help to defuse social conflicts that have surfaced during economic and social transitions.

Zhou Youyong, Dean of the Law School of Southeast University in Nanjing, Jiangsu, said that the role of law in social governance should be given full play. He expects the Party will improve the way it communicates, including more information disclosure and public participation in decision making.

Gao suggested that at the 18th CPC National Congress, the Party objectively evaluate the seriousness of salient social problems such as income disparity and corruption, and show its determination by outlining effective countermeasures.

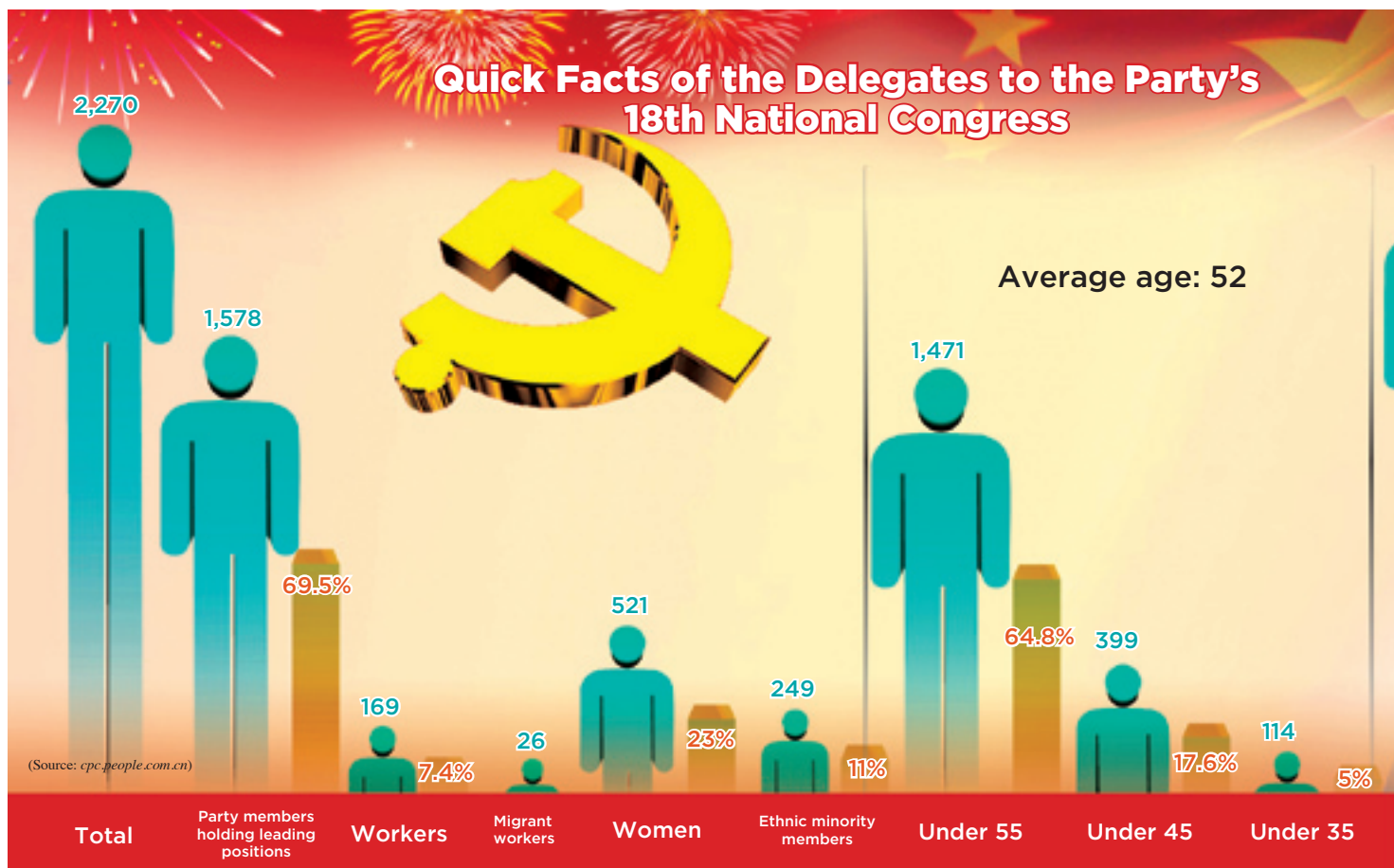
Party building

As a delegate to the 18th CPC National Congress, Chen Baosheng said that he hopes the congress will further promote intra-Party democracy, highlight the role of Party members, and reform the Party's leadership system.

Gao called on the Party to objectively and fairly review its achievements in various periods of history, especially the decade after the 16th CPC National Congress. He also said that the 18th CPC National Congress should make new arrangements to tighten discipline among its members. ■

MORE DIVERSE REPRESENTATION

A broad range of Party delegates offers hope for new voices to be heard at the CPC congress By Li Li



Several migrant workers and rural doctors, and an Olympic gold medalist, are representing 82 million members of the Communist Party of China (CPC) at the Party's 18th National Congress set to open on November 8. The 2,270 delegates were elected by 40 electoral units between October 2011 and July 2012. Compared with previous congresses, more young faces and professionals will serve as delegates.

The national congress will craft Party principles and policies, as well as elect the Party's new leadership. As part of the country's efforts to build a wealthier society, deepen reforms of the country's economy and transform its model of economic development, the 18th congress is expected to release important policies to guide the country's development in the next five years.

Party members who joined the CPC after the reform and opening up in the late 1970s constitute the majority of the delegates, said Wang Jingqing, Vice Minister of the Organization Department of the CPC Central Committee, at a press conference in Beijing on August 14.

A total of 1,640 delegates joined the Party after November 1976, accounting for 72.2 percent of the total, 20.5 percentage points higher than that of the congress in 2007, he said.

The average age of the delegates is 52, and 64.8 percent of them are under age 55. There are 114 del-

egates under 35, accounting for 5 percent of the total, 1.9 percentage points higher than the previous congress. Moreover, 2,122 delegates, or 93.5 percent of the total, have a junior college diploma or above.

The youngest delegate is Jiao Liuyang, an Olympic champion swimmer. She was born in March 1990 and joined the Party in 2008. The oldest is former mayor of Beijing Jiao Ruoyu, who was born in December 1915 and joined the CPC in 1936.

According to the criteria set by the CPC Central Committee, delegates to the Party's national congress must have an exemplary track record in their line of work, Wang said.

Scholars pay close attention to the delegates' capacity to fulfill their duties. Chen Xuewei, a professor at the Party School of the CPC Central Committee, told the *China Newsweek* magazine that every delegate should be aware of the role he plays.

"The delegates for the upcoming Party congress should shoulder more responsibilities in promoting reforms," Ma Yong, a senior research fellow of Chinese history at the Chinese Academy of Social Sciences, told *China Newsweek*. He suggested that these delegates spearhead a new round of reforms within the Party by, for instance, declaring their personal assets.

Better represented groups

Among all the delegates to the 18th CPC National Congress, there are 169 workers, a

sharp increase from 51 in the previous congress. They include 26 migrant workers who moved from the countryside to work in cities.

About 30.5 percent of the delegates are from the grassroots level, up 2.1 percentage points from the previous congress in 2007, Wang said.

Talking about the election of more grassroots delegates, Bai Zhili, a professor at the School of Government of Peking University, said that on the one hand, the CPC wants to strengthen the role of grassroots organizations in Party affairs; on the other hand, conflicts and problems at the grassroots level have been rising in recent years and grassroots delegates are expected to convey public concerns directly to the Party leadership.

Chen said that more grassroots CPC members attending the Party's national congress could enhance the communication between the CPC Central Committee and grassroots Party organizations and promote intra-Party democracy.

A new group of four delegates are college graduates serving as village officials from Jiangxi, Heilongjiang and Jiangsu provinces and Chongqing Municipality respectively.

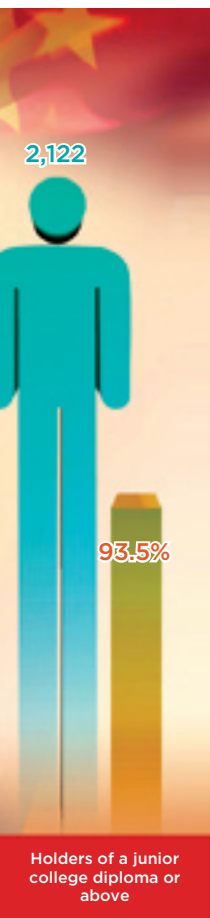
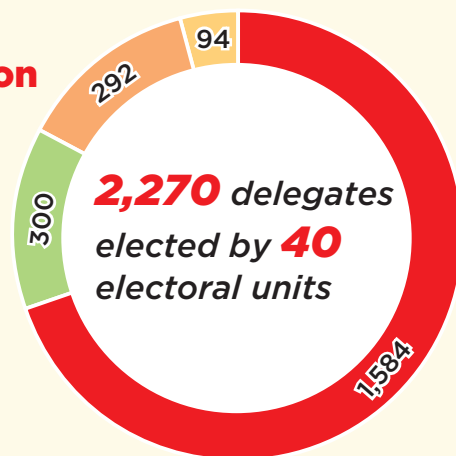
In recent years, China has selected volunteer college graduates to work as village officials for the country's rural grassroots administrations.

As of the end of 2011, the number of college graduates serving as village officials in China's rural areas topped 210,000, according to the *People's Daily*.

Delegate Composition

- Provincial divisions
- Military
- Central Party and government agencies
- Centrally administered enterprises and financial institutions

(Source: *cpc.people.com.cn*)



There is also a substantial increase of delegates from the business community. According to the *China Enterprise News*, 131 delegates work for Central Government-owned companies, accounting for 5.77 percent of the total number and 26 more than the number at the previous congress.

The representation of the private sector has further grown. Twenty-seven private enterprise owners will attend the 18th CPC National Congress. The number of the delegates from this group to the previous two Party congresses was seven in 2002 and 17 in 2007.

Professor Chen said that the rise in the number of entrepreneur delegates at the national congresses could help consolidate the Party's ruling base, broaden the Party's knowledge of social situations and improve the Party's leadership capacity.

Another group of delegates garnering media attention are scholars. More than 20 academics with the Chinese Academy of Sciences (CAS) and the Chinese Academy of Engineering will attend this year's Party congress as delegates. Most of these scientists and engineers have studied or worked abroad and are leading experts in China in their respective fields, including Bai Chunli, President of the CAS and a leading scientist in nanoscience; Zhan Wenlong, Vice President of the CAS and a nuclear physicist; Zhou Ji, President of the Chinese Academy of Engineering; Li Jiayang, President of the Chinese Academy of Agricultural Sciences; and Zhao Xiangeng, President of the Chinese Academy of Engineering Physics.

When the CPC Central Committee decided in June to give Beijing two more seats at the upcoming Party congress, Hu Angang, a renowned economist and professor at the prestigious Tsinghua University, and Zhang Xueji, a biological sensor expert who had worked in the United States for a decade, were elected as delegates.



HANDS-ON TRAINING: He Xiangmei, a 31-year-old elite sniper and army officer, lectures his soldiers on sniping skills

A CARING SOUL: Chen Fenglian (left), Director of Ciyou Community in Xining City, northwest China's Qinghai Province, visits 80-year-old Ma Yumei, who lives alone in the community



FIELD TRAINING: Bi Shihua Village in Zhenkang County, fellow villagers on prevention

Female delegates account for 23 percent of the total and ethnic minorities account for 11 percent.

According to established practices, the CPC Central Committee will also invite some Party members who have retired from their leadership posts as special delegates to the congress, Wang said.

Intra-party democracy

To ensure the election of more outstanding delegates, the CPC has, for the first time, carried out a multi-candidate survey on the

preliminary candidates of the delegates to the upcoming Party congress.

The loss margins in electing delegates to the 18th CPC National Congress were required to be 15 percent or above nationwide, according to the Organization Department of the CPC Central Committee. The required loss margin was also above 15 percent for the 17th CPC National Congress and above 10 percent for the 16th CPC National Congress.

Grassroots Delegates



KNOWLEDGE ACKNOWLEDGED: Wu Jiang, chief IT security scientist at Beijing-based Datang Telecom Technology & Industry Group, speaks to his lab colleagues



(left), Secretary of the Party Committee of Hongyan southwest China's Yunnan Province, trains his coffee tree pests



A MASTER TECHNICIAN: Song Dianchen, an award-winning lathe operator from north China's Inner Mongolia Autonomous Region, is a national-level model worker

Both Chen and Bai believe that the right to vote is key for Party members, which was better materialized in multi-candidate elections. Compared with single-candidate elections, multi-candidate elections are competitive, where winners often really care about intra-Party affairs and can more effectively express their opinions on political issues. They believe that the introduction of more competitive elections for national congress

delegates is out of respect for public opinion and helps to promote intra-Party democracy.

Wang Changjiang, a professor at the Party School of the CPC Central Committee, said the introduction of the multi-candidate survey on the preliminary delegate candidates is a positive change. "More competitive election campaigns must be introduced," he said, adding that regulations need to be drafted to make these kinds of elections regular.

The election process was "open and transparent," with each Party member having access to election information, said Deng Shengming, a spokesman for the Organization Department of the CPC Central Committee. He also revealed that up to 98 percent of Party members participated in the election.

CPC members participated in and supervised the election through party member meetings, published notices and text messages sent to their cell phones, Deng said, adding that the media have covered the entire process.

The CPC Central Committee imposed strict discipline on the election to ensure a sound and healthy process and forbid bribery and pulling strings to draw votes.

Discipline agencies, organization departments as well as the electoral units closely monitored the process of the election. The CPC Central Commission for Discipline Inspection and the Organization Department of the CPC Central Committee sent inspectors to supervise and check the elections at the local level.

Some local Party committees had, for the first time, publicized delegate candidates' personal information via the mass media, in a bid to mobilize the participation of and solicit feedback from Party members. In previous elections, such a list was only circulated among those in the Party.

Chen said that such efforts brought the election process under public supervision.

According to a survey by the Organization Department of the CPC Central Committee, about 97 percent of the Party members were satisfied with the election, said Wang, the department's deputy head.

"The CPC will continue its efforts to promote intra-Party democracy by improving the Party congress system and promoting intra-Party elections and supervision," Wang said. ■

A DECADE OF DREAMS FULFILLED

Beijing Review takes a look at the remarkable past decade of China's history in a series of photographs charting the many changes and achievements that have taken place in the country.

ORIENTAL CROWN: The China Pavilion at the World Expo in Shanghai in 2010 was the largest national pavilion at the event



NEW AGE OF DEFENSE: On October 12, China's first aircraft carrier, the *Liaoning*, sails out of the northeastern port of Dalian for the first time after it entered service on September 25

CFP



BACK TO EARTH: China's first female astronaut Liu Yang (center) waves as she emerges from the re-entry capsule of the *Shenzhou-9* spacecraft on June 29. Liu and her two fellow crew members returned safely to Earth after a 13-day mission

CFP



**HISTORY-
MAKING**
AUTHOR:
Mo Yan, who
received the
2012 Nobel
Prize in
Literature, is the
first Chinese
writer to win the
honor



CHINA, GO: Beijing residents gather
on the street to cheer for the start of the
Beijing Olympic Games on August 8,
2008



A BUMPER HARVEST: Farmers in east China's Zhejiang Province
operate rice combine harvesters in their fields. The country rescinded
its 2,600-year-old agricultural tax on January 1, 2006

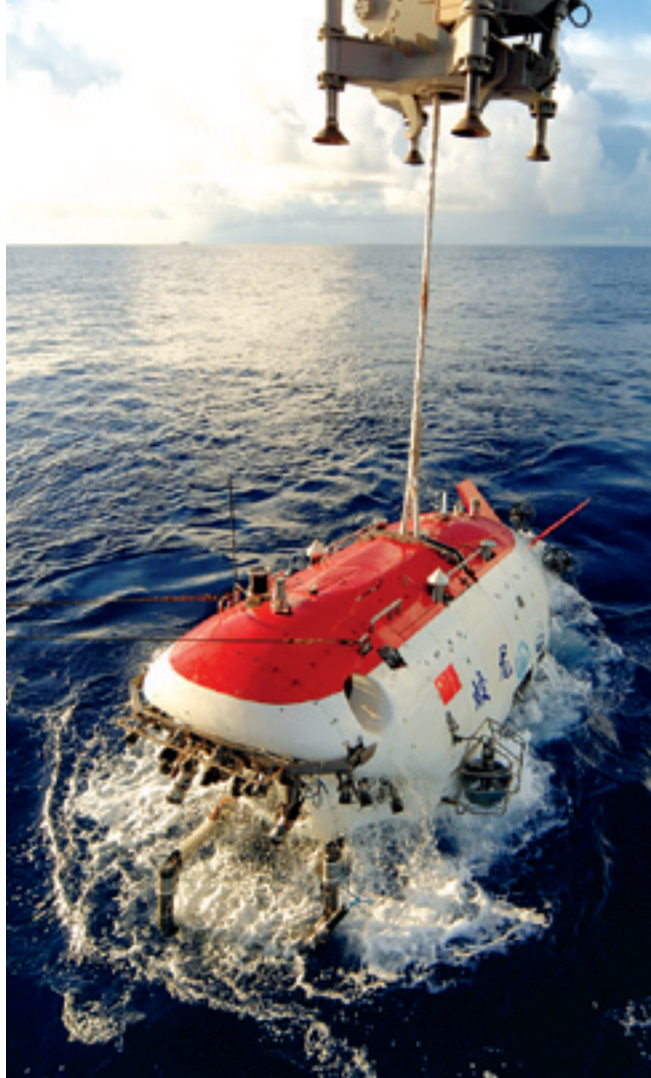


**EXPANDING
SAFETY NET:**
A farmer in
Mengcheng County,
east China's Anhui
Province, shows off
his new certificate
after joining the rural
pension scheme,
which was launched
nationwide on a trial
basis in August 2009





A SUNNY PROSPECT: A bullet train travels on the Shanghai-Hangzhou High-Speed Railway near Jiaxing City, Zhejiang Province



A DEEP EXPEDITION: China's manned deep-sea submersible *Jiaolong* returns to its mother ship after completing a third dive of 6,963 meters to collect samples of deep sea water deposits and creatures on June 22



NEW FLAT, NEW LIFE: On July 1, 2008, Chen Shaomin and his wife move into an apartment provided by the first low-income housing program in Xiamen, southeast China's Fujian Province

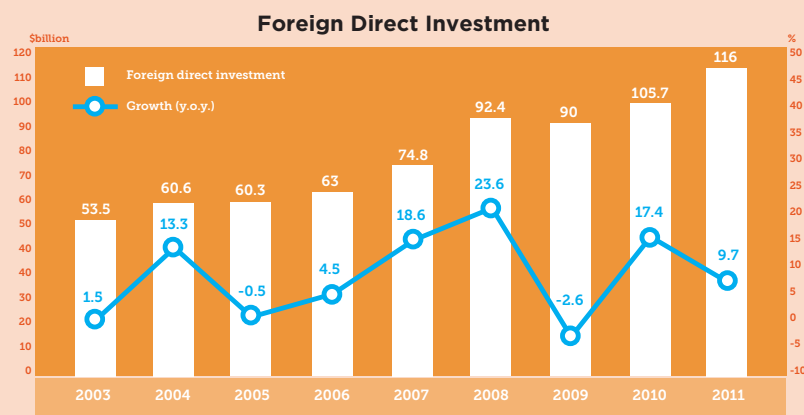
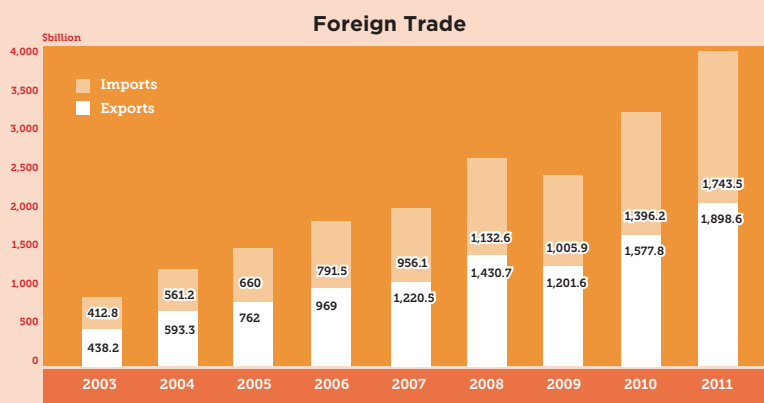
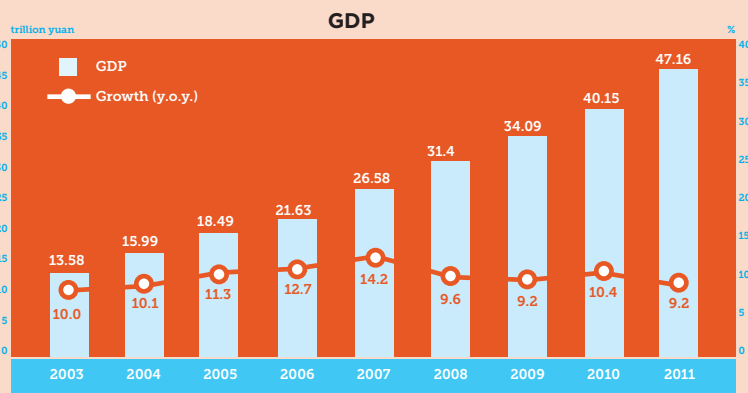
China's Upper Hand

During the past decade, China has become an engine of global economic growth, particularly after the global financial crisis.

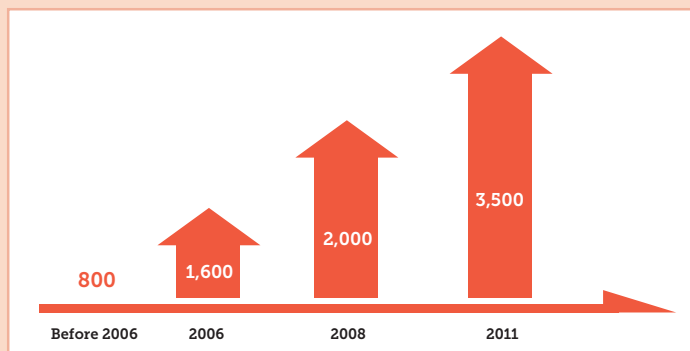
China's leading role in shifting global economic dynamics is an outstanding turnabout not seen since the Industrial Revolution, says Chen Ping, senior research fellow at the Center for New Political Economy at Fudan University and professor at the National School of Development at Peking University. Edited excerpts of his views follow:

The decade since China entered the WTO in 2001 has witnessed the development and growth of the China model. Many developing countries look to China as a model of growth in the context of fierce global competition.

The Western world underestimated China's capacity as a global player when it gained WTO membership. Few mainstream economists, Western or domestic, thought China would have a promising future as a WTO member. China would suffer from a collapse in its agricultural, financial and automobile industries, they insisted. Without

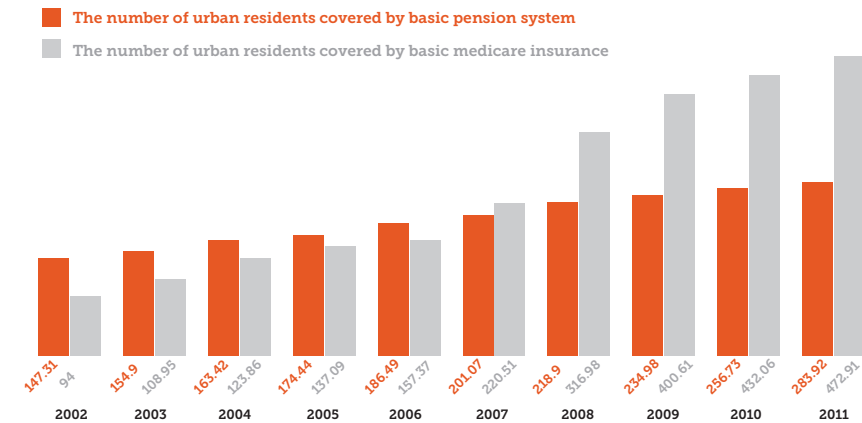


Baseline of Monthly Personal Income Tax Exemption (yuan)



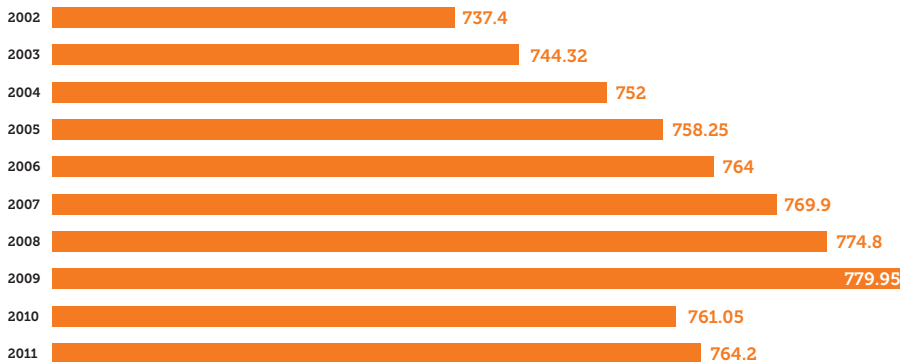
Social Security

(million persons)



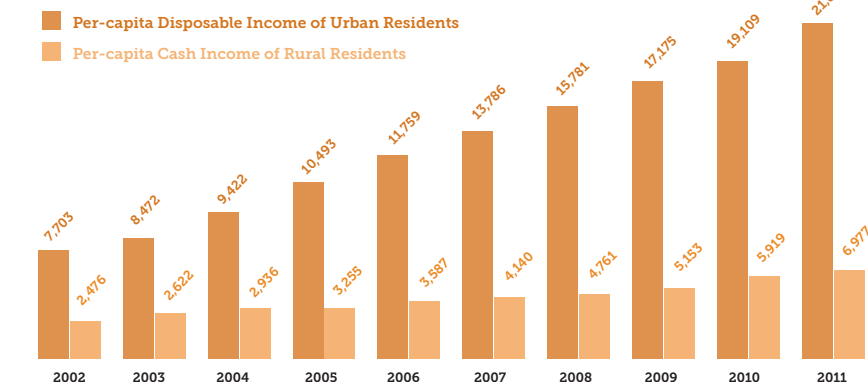
Employment

(million persons)



Income Distribution

(yuan)



(Source: National Bureau of Statistics, \$1=6.30)

tariff protection, they said, China's domestic enterprises could not challenge European and American multinationals as Japanese and South Korean enterprises had previously done.

China has not only fully grasped the "rules of the game" but has gained the upper hand in the global arena. China's GDP has quadrupled to become the second largest economy in the world; its exports have grown five-fold; it is also the second largest recipient of FDI globally.

Since the global financial crisis in 2008, China's "big four" state-owned commercial banks have surpassed their American counterparts; China's auto output has surpassed the United States and Japan to top the world; its agriculture has undergone an unprecedented process of mechanization that freed much of its rural labor force to spur ongoing urbanization; enterprises like Lenovo, Huawei and Haier, have penetrated overseas markets by nurturing an array of quality brands.

Since joining the WTO, China has learned a lot from Western management approaches, as well as the so-called Western "rules of the game." For instance, China has actively responded to allegations of dumping in a variety of industries.

As China's achievements have been a focus of world attention for the past decade, frictions with other countries naturally occur. Trade is not just a process of exchanging goods—it can spark competition of productivity and scale. Losers have to face bankruptcy, unemployment and heavy financial burden. When defeated, they're always the first to complain about inequality before undergoing reform.

China's further growth must not only learn from the limitations of Western development—such as excessive consumption and environmental damage—it must also create new patterns in trade, one that features South-South cooperation in an effort to limit control that Western oligarchs have over natural resources and commodities markets. Only then can "trade wars" or "resource wars" be avoided in favor of sustainable economic development. ■

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Toward a Stronger Socialism

By Rolf Berthold

The upcoming 18th National Congress of the Communist Party of China (CPC) will be inscribed as an especially historic event. The congress will further emphasize and clarify the principles and policies that have already been clearly stated by the Party. Led by the CPC, China has made remarkable achievements in both economic and social areas in the past decades, which proves that the country's development strategy is correct in spite of the problems and difficulties it still faces. China's economic status in the world has been rising and its international influence has strengthened. Despite various disturbances, the domestic situation of the country is stable. The people's living conditions have markedly improved. China's development has also led to major changes in the world's balance of power.

The 18th CPC National Congress will make it clear that the disintegration of the former Soviet Union and the drastic changes in East European countries have not put an end to socialism, and capitalism may not be the only valid social system. People in many countries, especially in developing countries, are paying increasing attention to China's development. They are studying China's economic and social development models. Even in developed countries, people are studying China's policies, technological development and many other things that are happening in the country.

The CPC regards history as a continuous and revolutionary process. In order to rescue the semi-feudal and semi-colonial Chinese society from being reduced to a colony, the

The author was German Democratic Republic's ambassador to China from 1982 to 1990



CPC was established by the working class to launch the New Democratic Revolution (1919-49), which overthrew the imperialists' and feudalists' rule in China. The Party further led the nation to carry out the socialist revolution which established the socialist system. Although the CPC has met with difficulties and setbacks during this process, the new social development path it has created suits the realities of China and can be applied to other countries facing similar social conditions.

Based on the New Democratic Revolution, the CPC has explored a socialist path with Chinese characteristics and achieved great success. Although China is distinct from others because of its vast land, long history, culture and other circumstances, it is still beneficial for those dedicated to social progress and world peace in other countries to study the CPC's principles and policies when they are making their own strategies and policies. Mutual learning is an important method. In the past decades, the CPC has learned from both the experiences and the lessons of others. Now it is more and more necessary for the rest of the world to learn from the CPC.

This will particularly involve those questions raised by the CPC: What is socialism, and how to build and develop it? How to promote socialist democracy and the construction of a socialist country ruled by law.

The 18th CPC National Congress is being held at a time when key elements of socialism, such as the economic development strategy, socialist political system, fiscal policies and foreign policies, have been set up. Communist and socialist parties around the world are talking about socialism in the 21st century, but they often lack the determination to learn from the CPC.

The CPC has formulated the theories such as the primary stage of socialism and socialism with Chinese characteristics. Any misunderstanding of the theory of socialism with Chinese characteristics is related to the misunderstanding of the disintegration of the former Soviet Union and the drastic changes in socialist European countries from 1989 to 1991. The drastic change disheartened socialists and communists in those countries. They came to the conclusion that socialism was doomed to fail. However, the CPC has successfully developed socialism in China by suiting its principles and policies to the reality of the country.

I sincerely wish the 18th CPC National Congress a big success and the continuing advancement of the interests of the Chinese people. ■

 zanjifang@bjreview.com

Building a Better Livelihood

By Noriyoshi Ehara

August 2012 saw the Olympic Games in London. China's Olympic medals count ranked near the top. In the 2008 Olympics in Beijing, China's gold medalists outnumbered that all of the other countries participating in the Games. In the arena of sports competition, athletes from all countries and regions are competing under the same rules, in spite of creed, social systems, nationality and religion.

And what of China's achievements in the economic sphere? In 2010, China's GDP surpassed Japan to become second-largest economy in the world, and China is now quite likely to earn "gold" in the economic arena.

In 2003, per-capita income in China was only about \$1,000, but in 2011, it quadrupled to \$5,414. Of course, despite these achievements, the Chinese people's per-capita income is only one eighth of their Japanese counterparts. Moreover, China's hosting of the 2008 Beijing Olympics and the 2010 World Expo in Shanghai has attracted attention from all over the world. But the *People's Daily*, the official newspaper of the Communist Party of China (CPC), argues that the attention is temporary. The Chinese now must go from "looking to the rest of the world" to "getting integrated with the world." It's no exaggeration to say that the Chinese economy and the Chinese people are marching toward internationalization.

China's advances in spacecraft and high-speed railway development have also made a mark on the past decade. In June, manned spacecraft *Shenzhou-9* sent a female astronaut into space for the first time and successfully docked at the *Tiangong 1* Space Station. According to a Xinhua report on June 24, the U.S. magazine *Atlantic Monthly* called the event a comment on this event, with "Hu Jintao's 'Kennedy moment'." China has apparently already made plans for a moon landing, although the time is not fixed yet. When I was working in Beijing in 2001, China was trying to import high-speed railway technology from abroad. Few at that time

would have expected that in less than 10 years China would not only develop the technology on its own, but would also build high-speed railways in other countries.

The last decade was not entirely smooth. The country also faced challenges from natural disasters like the massive earthquake in Wenchuan in southwestern Sichuan Province and the mudslide disaster in northwestern Gansu Province's Zhouqu, as well as major incidents in food safety, environmental protection, the outbreak of SARS in 2003, and others. In addition, the global economic crisis (spreading from the U.S. financial crisis and European debt crisis), posed a serious test to the Chinese economy.

In a meeting held by the Central Committee of CPC for non-Party people this July, President Hu Jintao put forward six points on how to deal with the economic tasks of the second half of 2012. He said that the country would strengthen and improve macro control; further promote agricultural modernization; accelerate the transformation of economic development; and improve people's livelihood. These are important points to follow for the next leadership to follow.

Since the founding of the People's Republic of China in 1949, China first focused on political development and then changed to economic development in 1978 when the policy of reform and opening up was adopted. The period of "economy first" entered a new phase after Deng Xiaoping's south tour speech was made in 1992. For example, China became the biggest recipient of foreign capital among developing countries. Meanwhile, foreign companies' exports to China jumped after 1992. By May 2012, foreign investors in China had reached more than 439,300.

Based on China's history since 1949, how shall we define the past 10 years? In short, this decade marks the transfer from "economy first" to an improvement of livelihood.

In this decade, the tenet of the Party and the Chinese Government has been "to build a socialist harmonious society with the Scientific

The author is a chief economist at the Institute for International Trade and Investment in Japan



Outlook on Development as guidance." By "harmonious society," the government means to build a society where all social classes enjoy a balance. Society is particularly stressed. Deng put forward his "socialist market economy" theory during his southern tour in 1992, when the focus was on the economy. Some people believe the combination of socialism and a market economy, which were regarded as two opposing concepts, helped China's economic growth and brought stability to the world economy.

The core of "harmonious society" is "human-centered," which means the improvement of people's livelihood. We can offer some examples: further improvement in medical care and social security, education and employment. In 2006, China abolished the agriculture tax that had existed for more than 2,600 years. In 2007, free compulsory education reached the whole country. Meanwhile, urbanization is moving forward. China has made great headway in narrowing the gap among different social classes.

The effort to improve people's livelihood is the second part of Deng's theory. In 2002, China proposed a strategy of empowering the country through science and education. It can be said that China is trying to improve its people's livelihood by effectively making use of its population's potential.

China's strength presented in this past decade, I think, will be reflected through its internationalization, urbanization, culture and innovation. ■

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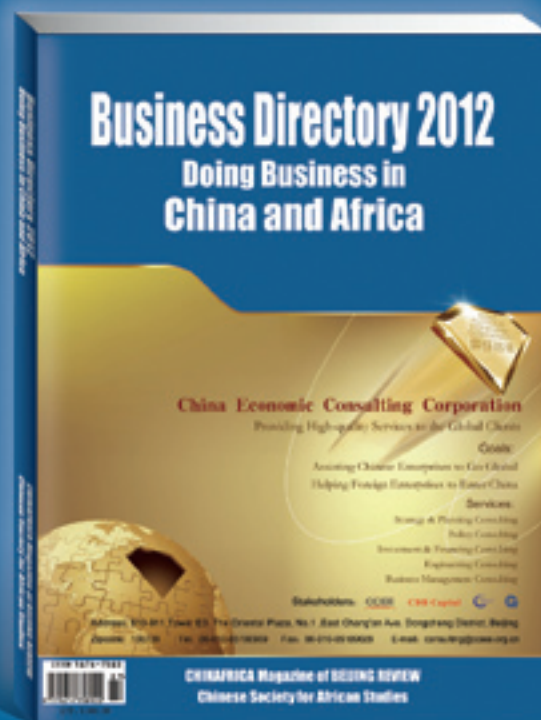
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