

OBAMA'S NEXT TERM P.26 | A DOCTOR'S BREAKTHROUGH P.44

BEIJING REVIEW

VOL.55 NO.46 NOVEMBER 15, 2012

北京周報 WWW.BJREVIEW.COM



PROGRESS PROMISED

Ruling party heralds policy continuity
and deepened reform

RMB6.00
USD1.70
AUD3.00
GBP1.20
CAD2.60
CHF2.60
JPY188

ISSN 1000-9140



9 771000 914123
邮发代号2-922·国内统一刊号: CN11-1576/G2

CHINAFRICA

中国与非洲



12 issues a year at a subscription rate of 180 RMB

SUBSCRIPTION HOTLINES
(8610) 6831 0644, 6899 6223, 6899 5808

An Africa-oriented English monthly covering China and Africa published by BEIJING REVIEW, ChinaAfrica is the only one in China featuring news, views and analysis for an African audience.

THE DESK

2 Development Roadmap

18TH CPC CONGRESS

THIS WEEK

WORLD



26 Four More Years
Obama's second term could focus more on Asia

28 Interdependent Asia and Europe
ASEM Summit enhances transcontinental relations

NATION



30 Cutting Red Tape
Government approval process streamlined

32 Sanitizing the Asylums
Mental Health Law will prevent wrongful institutionalization



3 18th CPC Congress Delegates on the march

4 Going Forward With Vigor
CPC congress promises an even better China

8 Major Points of Hu Jintao's Report
Outlining goals for next five years and beyond

14 Presenting a Vision
Interpreting the significance of the congress to the world

16 On a Confident Path
Party's resolve to reform country is unshakable

18 The Middle-Income Kingdom
Nation well on its way to achieving moderate prosperity

BUSINESS

36 Dawn of Trade Recovery
Canton Fair shows need for industrial shift



38 Recalling Faulty Vehicles
New drive to hold automakers accountable

40 Market Watch

CULTURE



44 From Soldier to Scientist
Medical breakthrough promises affordable kidney treatment

46 A Porcelain Revival
Jingdezhen poised to retake its claim as capital of china

EXPAT'S EYE

48 How Beijingers Relax
The Summer Palace is an ideal place to unwind

Development Roadmap

The 18th National Congress of the Communist Party of China (CPC) convened on November 8. As the highest leading body of China's ruling party, the week-long meeting would outline the country's development roadmap for the next five years.

When delivering a report at the opening of the congress on November 8, Hu Jintao, Chinese President and General Secretary of the 17th CPC Central Committee, pledged that China will stick to the governance philosophy of pursuing comprehensive, balanced and sustainable development and putting people's interests first. He also underlined the urgent need to promote social harmony and improve people's livelihood and well-being.

Reform and opening up have given and will continue to give powerful momentum to China's development, Hu said, pledging to deepen them.

More than 30 years ago, China's development lagged behind the world by almost every metric. But through reform and opening up beginning in 1978, and the introduction of a market economy, the CPC has managed to lead the country on a course of rapid growth.

China is now the world's second largest economy. The Chinese people's living standards and their social security guarantees have improved dramatically, and the country's contribution to global economic growth continues to wax.

In recent years, China has accelerated changes to the growth model, which Hu said in his report is a strategic choice the Party has made for promoting China's overall development. Such efforts have shown effectiveness in increasing the resilience of the Chinese economy against the global economic slowdown.

In the process, the CPC has also consistently improved its governance capabilities, as evidenced by the creation and further development of socialism with Chinese characteristics.

In a speech marking the 90th anniversary of the founding of the CPC on July 1, 2011, Hu said that success in China hinges on the Party.

In the first half of this century, China has two ambitious goals to accomplish, namely, to complete the building of a moderately prosperous society to the benefit of its more than 1.3 billion people by 2020 and to basically achieve socialist modernization in another 30 years.

Despite the many possible internal and external challenges ahead, it is reasonable to interpret achievements in economic and social development as a vote of confidence in China and the reliable progress of the ruling party. ■

WRITE TO US

✉ Send an e-mail: contact@bjreview.com.cn

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

北京周报 英文版 2012年 第46期 ISSN 1000-9140 广告许可证 0171号
北京市期刊登记证第733号 邮发代号2-922 国内统一刊号: CN11-1576/G2 国内零售价: 人民币6.00元

CHINA...RMB6.00 U.S.A....USD1.70 AUSTRALIA...AUD3.00 UK...GBP1.20 CANADA...CAD2.60 SWITZERLAND...CHF2.60
JAPAN...JPY188 EUROPE...EURO1.90 TURKEY...YTL5.00 HK...HKD9.30 NEPAL...RS40

北京周报

BEIJING REVIEW

A News Weekly Magazine
Published Since 1958

□ iPad APP

<http://www.bjreview.com>

E-mail: contact@bjreview.com.cn

President & Editor in Chief: Wang Gangyi

Vice President: Qi Wengong

Associate Editors in Chief: Li Jianguo, Huang Wei,

Wang Yanjuan, Zhou Jianxiang

Assistant President: Li Zhenzhou

Assistant Editor in Chief: Wa Chunfang

Executive Editor: Ding Zhitao

Assistant Executive Editors: Yao Bin, Zhang Zhiping

Editorial Administrators: Zhang Xiaoli, Shi Bosen

Senior Consultant: Shao Haiming

Opinion Editor: Zan Jifang

World Editor: Yan Wei

Nation Editor: Yao Bin

Business Editors: Yu Shujun, Lan Xinzheng

Culture Editor: Liu Yunyun

Editorial Consultants: Joseph Halvorson, Evan Z. Hall, Elvis Anber

Staff Reporters: Tang Yuankai, Ding Ying, Ding Wenlei, Wang Jun, Li Li,

Yin Pumin, Liu Yu, Pan Xiaoqiao, Yuan Yuan, Wang Hairong, Liu Xinlian,

Yu Yan, Yu Lintao, Zhou Xiaoyan, Bai Shi, Xu Tao, Deng Yaqing, Ji Jing

Photo Editor: Wang Xiang

Photographer: Wei Yao

Art: Li Shigong

Art Director: Wang Yajuan

Chief Designer: Cui Xiaodong

Designer: Zhao Boyu

Proofreading: Qin Wenli, Ma Xin

Distribution Director: Pan Changqing

Human Resources: Hou Jin

International Cooperation: Zhang Yajie

Legal Counsel: Yue Cheng

North America Bureau

Chief: Huang Wei

Tel/Fax: 1-201-792-0334

E-mail: wei298@hotmail.com

General Editorial Office

Tel: 86-10-68996252

Fax: 86-10-68326628

English Edition

Tel: 86-10-68996259

Advertising Department

Tel: 86-10-68995813

Fax: 86-10-68329398

E-mail: ad@bjreview.com.cn

Distribution Department

Tel: 86-10-68310644

Fax: 86-10-68328738

E-mail: circulation@bjreview.com.cn

Published every Thursday by

BELJING REVIEW, 24 Baiwanzhuang Lu,

Beijing 100037, China.

Overseas Distributor: China International Book Trading

Corporation (Guoji Shudian), P. O. BOX 399,

Beijing 100044, China

Tel: 86-10-68413849, 1-416-497-8096 (Canada)

Fax: 86-10-68412166

E-mail: fp@mail.cibtc.com.cn

Website: <http://www.cibtc.com>

General Distributor for Hong Kong, Macao and Taiwan:

Peace Book Co. Ltd.

17/F1, Paramount Bldg, 12 Ka Yip St, Chai Wan, HK

Tel: 852-28046687 Fax: 852-28046409

Beijing Review (USPS 2812) is published weekly in the United States

for US\$64.00 per year by Cypress Books,

360 Swift Avenue, Suite 48, South San Francisco, CA 94080

News Postage Paid at South San Francisco, CA 94080

POSTMASTER: Send address changes to *Beijing Review*,

Cypress Books, 360 Swift Avenue, Suite 48,

South San Francisco, CA 94080



Congress Commences

Hu Jintao, General Secretary of the Central Committee of the Communist Party of China (CPC) and Chinese President, delivers a keynote report at the opening ceremony of the 18th CPC National Congress in Beijing on November 8.

In the report, titled *Firmly March on the Path of Socialism With Chinese Characteristics and Strive to Complete the Building of a Moderately Prosperous Society in All Respects*, Hu laid out guiding principles for China's future development.

More than 2,300 elected and specially invited delegates attended the opening ceremony.

The five-yearly congress elects a new CPC central leadership. A total of 2,732 Chinese and foreign journalists registered to cover the weeklong event, which ends on November 14.

GOING FORW

The 18th National Congress of the ruling Communist Party of China (CPC) kicked off in Beijing on November 8. The weeklong congress will draw a blueprint for the development of the biggest political Party in the world and the country it leads in the coming years.

The congress has long been a focus of global media, as it will decide what direction the world's most populous country is going, an issue of great concern both to the Chinese people as well as the international community. More than 2,700 journalists participated in on-site coverage of the meeting, including over 1,700 from overseas.

Guideline

The much-anticipated report delivered by General Secretary Hu Jintao of the 17th CPC Central Committee at the opening session answered to the worldwide attention. Hu said that China will continue to stick to a path of opening up and reform.

The report reviewed the work of the Party in the past five years, and put forward new tasks for the years to come.

China's achievements in the past 30 years, especially the rapid growth in the last decade, has stunned the world. Its steady progress has come against the backdrop of the recessions in other economies, which have been worsened since the grave financial crisis in 2008. The booming economy of China has not only brought wealth and confidence to the Chinese, but also deeply affected the world. In 2010, China became the second largest economy in the world, a success that could not be ignored.

The economy of China carries increasing importance in the world economy. From 2003 to 2011, China realized an average yearly growth of 10.7 percent, much higher than the world average of 3.9 percent over the same period. China's contribution to the world's economic growth exceeded 20 percent.

As a result, the international status of China and its influence on world affairs have significantly improved.

Hu attributed the tremendous success the Chinese people have achieved in the past 10

The 18th CPC National Congress plans to steer the country down a path of more balanced and sustainable development By Zan Jifang



ARD WITH VIGOR



KEY MEETING: The 18th National Congress of the Communist Party of China opens in the Great Hall of the People in Beijing on November 8

years to the establishment and implementation of the Scientific Outlook on Development, the latest achievement of the Party in developing the system of theories of socialism with Chinese characteristics.

The new Party theory advocates comprehensive, balanced and sustainable development and attaches top priority to the principle of putting people first, according to Hu's report.

"Together with Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory and the important thought of Three Represents, the Scientific Outlook on Development is the theoretical guidance the Party must adhere to for a long time," Hu said.

Tasks

Hu reaffirmed the nation's goal of completing the building of a moderately prosperous society in all respects by 2020, setting new tasks for the whole Party to achieve its targets. He also proposed approaches to address problems arising with China's high-speed economic development and formulated policies on major issues that are of great concern to the people, such as the economic growth model shift, political reforms, building of democracy and social progress.

"Our overall approach is to promote

economic, political, cultural, social, and ecological progress, and our general task is to achieve socialist modernization and the great renewal of the Chinese nation," Hu said.

Hu pledged that China will continue to pursue a peaceful development strategy. He also firmly clarified the Party's resolve to uphold the country's sovereignty, security and development interests and to never yield to any outside pressure.

Hu's report pools the whole Party's wisdom by giving full play to democracy.

"The Party prepared the report by sending tens of investigation teams to every corner of the country to listen to the voice of the people," said Cai Mingzhao, spokesman for the 18th CPC National Congress, at a press conference on November 7. "It also set up special forums on major websites in China to gather the opinions of around 540 million Chinese netizens."

A total of 4.5 million people had participated in the online investigation, coming up with over 190,000 suggestions, Cai said.

During the congress, more than 2,200 delegates will contribute their experiences and ideas in deliberating the objectives and principles raised by the report. Elected to represent the CPC's more than 82 million members, they shoulder the responsibilities of bringing

the hopes and expectations of their fellow people to the congress.

"It's my first time attending the Party congress, and so I am excited and also feel pressure because of this responsibility. I will earnestly study and deliberate the report with other delegates and spread the outcome of the congress to the people around me," said Gu Xiang, a delegate from east China's Jiangsu Province.

Anticipation

The congress would amend the Party's constitution, as well as elect a new Party leadership.

"Members and the alternative members of the new CPC Central Committee will be decided through secret ballot in a competitive election," Cai said at the press conference on November 7.

Petra Kolonko, Beijing Bureau Chief of the *Frankfurter Allgemeine* of Germany, offered an international perspective on the process.

"We want to know who is going to lead China for the next five or 10 years. It's a big event for the whole world, because China is now such an important country. We like to know more about these new leaders and what they are going to do," she said.

Gu said that she hoped the new Party leadership would find new solutions to fur-





ZHENG WENHUA

HOT SPOT: Journalists covering the opening of the 18th CPC National Congress queue for security checks outside the Great Hall of the People

ther improve people’s lives. “The Chinese people should not only enjoy an affluent material life but also be satisfied spiritually,” she added.

Analysts hold that the convening of the 18th CPC National Congress is happening at a time when China is moving into a pivotal period of development.

Currently, the external environment is not very favorable to China’s development. According to the IMF World Economic Outlook released in October, the prospect for the global recovery is once again lowered. The report said that risk of further slowdown of the global economy is worrying. The major

reason is the uncertainty of U.S. and European policies, which will also carry risks to other regions, including China.

Despite this, there is a consensus that China is also experiencing an important period of strategic opportunities and is capable

of coping with various challenges.

For example, the domestic demand is huge, creating vast potential for economic development. According to the World Bank forecast, by 2020, per-capita income in China will reach the level of moderately developed countries, which will largely elevate people’s consumption capacity. Domestic demand will then play a leading role in spurring the economy.

“Challenges have two sides. If we fail to handle them, we will surely be defeated. But if we handle them appropriately, the pressure will turn into a driving force and challenges will become opportunities,” said Li Zhongjie, Deputy Director of Party History Research Center of the CPC Central Committee. ■

✉ zanjifang@bjreview.com

1. **AUTHORITATIVE SOURCE:** Cai Mingzhao, spokesman for the 18th CPC National Congress, arrives at his first press conference on November 7
2. **SOLEMN MOMENT:** President of China International Publishing Group Zhou Mingwei (second left) rises with other delegates for the national anthem at the opening of the 18th CPC National Congress
3. **MEDIA FRENZY:** Qiangba Puncog (center), a delegate from Tibet Autonomous Region, is swarmed by reporters as he makes his way to the meeting venue
4. **DISTINGUISHED GUEST:** The 11th Panchen Lama Bainqen Erdini Qoigiyjabu (second left) attends the opening of the 18th CPC National Congress as a special guest



DONG FANG

3



MINXUN

4

Major Points of

Political Reform

Support and ensure the exercise of state power by the people through people's congresses. Deputy liaison offices should be established in people's congresses to improve the mechanism for deputies to maintain contact with the people. The organizational system for organs of state power should be improved. The members of the standing committees and special committees should be younger and their expertise should be widened. The proportion of the full-time members of these committees should be raised. Deputies to people's congresses and members of these committees should enhance their capability to perform their duties pursuant to law.

Improve the system of socialist consultative democracy. Extensive consultations should be carried out on major issues relating to economic and social development as well as specific problems involving the people's immediate interests through organs of state power, committees of the Chinese People's Political Consultative Conference (CPPCC), political parties, social organizations and other channels. These should be used to solicit a wide range of opinions, pool the wisdom of the people, increase consensus, and build up synergy. We should take the CPPCC as a major channel for conducting consultative democracy. We should strengthen political consultation with the democratic parties. We should conduct intensive consultations with representatives from all sectors of society, and with relevant government authorities on the handling of proposals. We should actively carry out democratic consultation at the community level.

Self-governance

Improve community-level democracy. We should improve the mechanism for community-level self-governance under the leadership of community-level Party organizations to make it full of vitality. Improve the democratic management system in enterprises and public institutions with workers and employees' congress as its basic form, and protect workers' and employees' democratic rights to participate in management and supervision. Community-level organizations should also get involved to integrate government administration and community-level democracy.

Promote law-based governance of the country in an all-around way. We must make sure that all are equal before the law and that laws are observed and strictly enforced and lawbreakers are prosecuted. We

Scientific Development

The Scientific Outlook on Development is the latest achievement in developing the system of theories of socialism with Chinese characteristics, and it is the crystallization of the collective wisdom of the CPC and a powerful theoretical weapon for guiding the Party and the country. Together with Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory and the important thought of Three Represents, the Scientific Outlook on Development is the theoretical guidance the Party must adhere to for a long time ahead.

The whole Party must more purposefully take "putting the people first" as the core requirement, more resolutely pursue a comprehensive, balanced and sustainable development and more persistently take the holistic approach as the fundamental way of thoroughly applying the Scientific Outlook on Development.

Freeing up the mind, seeking truth from facts, keeping up with the times and being realistic and pragmatic—these are the salient features of the Scientific Outlook on Development. There is no end to practice, to seeking truth, or to making theoretical innovations.

must ensure that judicial and procuratorial bodies independently and impartially exercise their respective powers pursuant to law. The Party must act within the scope prescribed by the Constitution and laws. No organization or individual has the privilege of overstepping the Constitution and laws, and no one in a position of power is allowed in any way to take one's own words as the law, place one's own authority above the law or abuse the law.

Administrative reform

Deepen reform of the administrative system. We should deepen the reform of the system concerning matters subject to government examination and approval, continue to streamline administration and delegate more power to lower levels. We should steadily advance the reform to combine government departments and improve division of functions among

them. We should strictly control the size of government bodies, cut the number of their leading officials, and reduce their administrative costs.

Establish a sound mechanism for conducting checks and supervision over the exercise of power. We should make sure that decision-making, executive and supervision branches check each other and function in concert and that government bodies exercise their powers in accordance with statutory mandate and procedures. We should make the exercise of power more open and standardized, and increase transparency of Party, government and judicial operations. We should improve the systems of inquiry, accountability, economic responsibility auditing, resignation and dismissal. We should tighten intra-Party, democratic and legal supervision as well as supervision through public opinion to ensure that the people oversee the exercise of power and that power is exercised in a transparent manner.

Hu Jintao's Report

Growth Model

Carry out strategic adjustment of the economic structure. We should firmly maintain the strategic focus of boosting domestic demand; speed up the establishment of a long-term mechanism for increasing consumer demand; unleash the potential of individual consumption; increase investment at a proper pace; and expand the domestic market. We should focus on developing the real economy as a firm foundation. We should promote the sound growth of strategic emerging industries and the advanced manufacturing industry; speed up the transformation and upgrading of traditional industries; and develop and expand the service sector, with emphasis on modern service industries. We should support development of small and micro businesses, especially small and micro science and technology companies. We should accelerate reform of the household registration

system; conduct registration of rural migrant workers as permanent urban residents in an orderly way; and endeavor to ensure that all permanent urban residents have access to basic urban public services.

Rural development

Integrate urban and rural development. Resolving issues relating to agriculture, rural areas, and farmers is the number one priority in the Party's work. We should increase policy support to boost agriculture, benefit farmers and increase rural prosperity, and encourage the rural population to participate in modernization on an equal footing and share in its fruits.

We should speed up the development of modern agriculture, raise the overall production capacity of agriculture, and ensure food security and effective supply of major agricultural products in China. We should fully improve rural working and living conditions. We should ensure sustained and

rapid growth of rural income. We should reform the land expropriating system and increase the share of gain in land value to farmers. We should ensure equal exchange of factors of production between urban and rural areas and balanced allocation of public resources between them.

Further promote China's open economy. In response to new developments in economic globalization, we must implement a more proactive opening up strategy and improve the open economy so that it promotes mutual benefit and is diversified, balanced, secure and efficient. We should make innovations in the mode of opening up. We should continue to attach equal importance to export and import. We should make full use of our overall advantageous position in utilizing foreign capital and make better use of such investment. Chinese companies should expand their overseas presence at a faster pace. We should become better able to defuse international economic risks.

Theme of the Congress

The underlying theme of the congress is to hold high the great banner of socialism with Chinese characteristics; follow the guidelines of the Deng Xiaoping Theory, the important thought of Three Represents and the Scientific Outlook on Development; free up the mind; implement the policy of reform and opening up; pool our strength; overcome all difficulties; firmly march on the path of socialism with Chinese characteristics; and strive to complete the building of a moderately prosperous society in all aspects.

Achievements and Problems

During the past five years, the economy has developed steadily and rapidly. Major progress has been registered in reform and opening up. Living standards have been significantly improved. New strides have been made in developing democracy and the legal system. Development of the cultural sector has reached a new level. Fresh progress has been made in social development. A new stage has been reached in efforts to strengthen national defense and the

armed forces. Work related to Hong Kong, Macao and Taiwan affairs has been further strengthened. New progress has been made in China's diplomacy.

But the development gap between urban and rural areas is still large, and so are income disparities. Some community-level Party organizations are weak and lax. Some sectors are prone to corruption and other misconduct, and the fight against corruption remains a serious challenge for us.

Foreign Policy

The world today is undergoing profound and complex changes, but peace and development remain the underlying trends of our times. The global trends toward multi-polarity and economic globalization are deepening. Cultural diversity is increasing and an information society is fast emerging. New breakthroughs are in the making in the science and technology revolution. Global cooperation is expanding at multiple levels and on all fronts. Emerging market economies and developing countries are gaining in overall strength, tipping the balance of international forces in favor of the maintenance of world peace. All this has created more favorable conditions for ensuring general stability in the international environment. On the other hand, the world is still far from being peaceful.

China will unwaveringly follow the path of peaceful development and firmly pursue an independent foreign policy of peace. We are firm in our resolve to uphold China's sovereignty, security and development interests and will never yield to any outside pressure. We will decide our position and policy on an issue on its own merits and work to uphold fairness and justice. China is committed to the peaceful settlement of international disputes and hotspot issues, opposes the wanton use of force or threat to use it, opposes any foreign attempt to subvert the legitimate government of any country, and opposes terrorism in all its manifestations. China opposes hegemonism and power politics in all their forms and will never seek hegemony or engage in expansion. China will bear in mind both the interests of the Chinese people and the common interests of the people of all countries, get more actively involved in international affairs, play its due role as a responsible major country, and work jointly with other countries to meet global challenges.

Win-win strategy

China will unwaveringly follow a win-win strategy of opening up and promote robust, sustainable and balanced growth of the global economy through increased cooperation. We are committed to narrowing the North-South gap and supporting other developing countries in enhancing their capacities for self-development. China will strengthen coordination with other major economies on macroeconomic policy and resolve economic and trade frictions with other countries through consultation. China upholds the principle of balancing rights with obligations. We will take an active part in global economic governance; promote and facilitate free trade and investment; and oppose protectionism in all its forms.

China is committed to growing friendship and cooperation in all fields with other countries on the basis of the Five Principles of Peaceful Coexistence. We will improve and grow our relations with developed countries by expanding areas of cooperation and properly addressing differences with them; and we will strive to establish a new type of relations of long-term stability and sound growth with other major countries. We will continue to promote friendship and partnership with our neighbors, consolidate friendly relations and deepen mutually beneficial cooperation with them, and ensure that China's development will bring more benefits to our neighbors. We will increase unity and cooperation with other developing countries, work with them to uphold their legitimate rights and interests and support efforts to increase their representation and voice in international affairs. China will remain a reliable friend and sincere partner of other developing countries. We will actively participate in multinational affairs and work to make the international order and system more just and equitable.

Hong Kong, Macao and Taiwan

Since their return to the motherland, Hong Kong and Macao have embarked on a broad road along which they and the mainland draw on each other's strengths and pursue common development, and the success of the "one country, two systems" principle has won global recognition.

We are convinced that our compatriots in Hong Kong and Macao not only have the wisdom, ability and resourcefulness to successfully govern and develop the two regions; they can certainly also

People's Well-being

Work hard to implement education to the satisfaction of the people. We should provide education for all students, and cultivate creativity in them. We should vigorously promote fairness in education, with a focus on rural, remote, poor and ethnic minority areas. We should support special education, increase subsidies to students from poor families, and ensure that children of rural migrant workers in cities have equal access to education. We should encourage and guide non-governmental entities to run educational programs.

Create more jobs. We must implement the principle of promoting self-reliant, market-regulated and government-backed employment and entrepreneurship, as well as the strategy of giving top priority to employment and a proactive employment policy. We should strengthen supervision of labor protection and labor dispute mediation and arbitration, and build harmonious relationship between employers and employees.

Make every effort to increase individual income. We must deepen reform of the income distribution system, and increase individual income in step with economic development and work remuneration in step with improvement in labor productivity, and we should raise the share of individual income in the distribution of national income and increase the share of work remuneration in primary distribution. We should increase proprietary individual income through multiple channels.

Promote the social security system in urban and rural areas. We should reform and improve the social insurance system for enterprises as well as government bodies and public institutions, integrate the basic old-age insurance and basic medical insurance systems for non-

play an active role in national affairs and share with other people of all ethnic groups in China the dignity and glory of being Chinese.

Peaceful reunification is in the best interests of the Chinese nation, including our compatriots in Taiwan. To achieve peaceful reunification, we must, above everything else, ensure peaceful growth of relations between the two sides of the Taiwan Straits. We must adhere to the principle of “peaceful reunification and one country, two systems.” We must continue to adhere to the one-China principle. The two sides of the Taiwan Straits should uphold the common stand of opposing Taiwan independence and of following the 1992 Consensus. On this basis, both sides should expand common ground

working urban residents and the rural population, and establish mechanisms for setting standards on social security benefits and for regular adjustment.

Improve people’s health. We should put disease prevention first, make rural areas the focus of our work, support both traditional Chinese medicine and Western medicine, establish a sound mechanism for basic medical and health care and strengthen such endeavors at the community level. We should give high priority to carrying out overall reform in medical insurance, medical treatment, public health, drug supply, and the mechanism of monitoring and supervision.

Social management

Strengthen and innovate social management. We should improve the way in which the government provides public services; strengthen the system of social management and services at the community level; and ensure that urban and rural communities provide better services. We should improve and make innovations in the management relating to and services for the migrant population. We should establish a sound mechanism for assessing potential risks that major policy decisions may pose to social stability. We should improve the public safety system and the workplace safety environment in enterprises to curb serious accidents. We should improve the multi-dimensional system for crime prevention and control, and strengthen the infrastructure of judicial bodies. We should improve the national security strategy and its work mechanism, and keep high vigilance against and resolutely forestall separatist activities and activities of infiltration and subversion carried out by hostile forces, so as to ensure national security.

and set aside differences. We are ready to conduct exchanges, dialogue and cooperation with any political party in Taiwan as long as it does not seek Taiwan independence and recognizes the one-China principle.

We hope that the two sides will jointly explore cross-Straits political relations and make reasonable arrangements for them under the special condition that the country is yet to be reunified. We hope the two sides will discuss the establishment of a cross-Straits confidence-building mechanism for military security to maintain stability in their relations and reach a peace agreement through consultation so as to open a new horizon in advancing the peaceful growth of these relations.

We resolutely oppose any separatist attempt for Taiwan independence. The Chinese people will never allow anyone or any force to separate Taiwan from the motherland by any means. Any separatist attempt for Taiwan independence, which undermines the common interests of the compatriots on both sides of the Taiwan Straits, is doomed to fail.

A Moderately Prosperous Society

The economy should maintain sustained and sound development. Major progress should be made in changing the growth model. On the basis of making China’s development much more balanced, coordinated and sustainable, we should double its 2010 GDP and per-capita income for both urban and rural residents by 2020.

People’s democracy should be expanded. The institutions of democracy should be improved and its forms enriched. The rule of law should be fully implemented as a basic strategy, a law-based government should be basically in function, judicial credibility should be steadily enhanced, and human rights should be fully respected and protected.

The country’s cultural soft power should be improved significantly. Core socialist values should take root among the people. The cultural sector should become a pillar of the economy. We will lay a more solid foundation for developing a strong socialist culture in China.

Living standards should be fully raised. Equal access to basic public services should be generally achieved. The educational level of the entire population should be significantly raised and training of innovative professionals markedly improved. There should be more employment opportunities. Income gaps should be narrowed. Social security should cover all the people. Major progress should be made in building a resource-conserving and environmentally friendly society.

Party Building

First, be firm in our ideal and conviction and remain true to the faith of Communists.

Second, put people first, exercise governance for the people and always maintain close ties with them.

Third, vigorously promote intra-Party democracy and enhance the Party's creative vitality.

Fourth, deepen reform of the system for the management of officials and personnel and build a contingent of competent officials for governance.

Fifth, adhere to the principle of the Party exercising leadership over personnel management and attract outstanding individuals from all over for the cause of the Party and the country.

Sixth, promote community-level Party building in an innovative way and consolidate the organizational foundation for the exercise of governance by the Party.

Seventh, unwaveringly combat corruption. We should improve the system of combating corruption through both punishment and prevention, and conduct thorough investigations into major corruption cases. All those who violate Party discipline and state laws, whoever they are and whatever power or official positions they have, must be brought to justice without mercy.

Ecological Issues

Improve development of China's geographical space. Guided by the principle of maintaining balance between population, resources and the environment and promoting economic, social and ecological benefits, we should keep the pace of development under control and regulate its space composition. We should leave more space for nature to achieve self-renewal. We should keep more farmland for farmers, and leave to our future generations a beautiful homeland with green fields, clean water and a blue sky. We should enhance our capacity for exploiting marine resources, resolutely safeguard China's maritime rights and interests, and build China into a maritime power.

Promote resources conservation. We should drastically reduce energy, water and land consumption per unit of GDP, and use such resources in a better and more efficient way. We should support the development of energy-efficient and low-carbon industries, new energy sources and renewable energy sources. We should better protect water sources and impose a cap on total water consumption. We should strictly control land use.

Socialist Market Economy

Taking economic development as the central task is vital to national renewal, and development still holds the key to addressing all the problems we have in China. In response to changes in both domestic and international economic developments, we should speed up the creation of a new growth model and ensure that development is based on improved quality.

Deepen economic structural reform across the board. We should follow more closely the rules of the market and better play the role of the government. We should unwaveringly consolidate and develop the public sector of the economy; allow public ownership to take diverse forms; invest more state capital in major industries and key fields that comprise the lifeline of the economy and are

vital to national security. We must unwaveringly encourage, support and guide the development of the non-public sector, and ensure that economic entities under all forms of ownership have equal access to factors of production in accordance with the law, compete on a level playing field and are protected by the law.

Implement the strategy of innovation-driven development. Scientific and technological innovation provides strategic support for raising the productive forces and boosting overall national strength, and we must give it top priority in overall national development. We should deepen reform of the system for managing science and technology, speed up the development of the national innovation system and establish a system of technological innovation in which enterprises play the leading role, the market points the way and enterprises, universities and research institutes work together.

We should strengthen the exploration, protection and proper exploitation of mineral resources. We should develop a circular economy.

Intensify protection of the ecosystem and the environment. We should launch major projects to restore the ecosystem, increase our capacity for producing ecological products, and take integrated steps to control desertification, stony deserts and soil erosion.

Enhance system-building to promote ecological progress. Resource consumption, environmental damage and ecological benefits should be covered by the system of standards for evaluating economic and social development, and related goals, evaluation methods and reward and punishment mechanisms should be adopted in keeping with the need of promoting ecological progress.

Military Modernization

We must, following the three-step development strategy for modernizing national defense and the armed forces, intensify efforts to accomplish the dual historic tasks of military mechanization and full IT application, striving to basically complete military mechanization and make major progress in full military IT application by 2020.

We should attach great importance to maritime, space and cyber security. We should conduct active planning for the use of military forces in peacetime, expand and intensify military preparedness, and enhance the capability to accomplish a wide range of military tasks, the most important of which is to win the local war in an information age.

We should unswervingly pursue full IT application as the goal in achieving military modernization and step up this effort.

China pursues a national defense policy that is defensive in nature. Our endeavors to strengthen national defense aim to safeguard China's sovereignty, security and territorial integrity and ensure its peaceful development. China's armed forces have always been a staunch force upholding world peace and will continue to increase cooperation and mutual trust with the armed forces of other countries, participate in regional and international security affairs, and thus play an active role in international political and security fields.

Cultural Development

Strengthen core socialist values. We should work hard to equip the whole Party with the system of theories of socialism with Chinese characteristics and educate the people in these theories. We should carry out extensive education about our ideals and convictions. We should intensify education in patriotism, collectivism and socialism, and enrich people's cultural life and enhance their moral strength. We should promote prosperity, democracy, civility and harmony; uphold freedom, equality, justice and the rule of law; and advocate patriotism, dedication, integrity, and friendship, so as to cultivate core socialist values.

Improve civic morality. We should press ahead with the program for improving civic morality, exalt the true, the good, and the beautiful and reject the false, the evil and the ugly. We should encourage people to willingly meet their statutory duties and obligations to society and family. We should create a social atmosphere in which work is honored and creation is lauded, and cultivate social trends of recognizing honor and disgrace, practicing integrity, encouraging dedication, and promoting harmony.

Enrich people's intellectual and cultural lives. We should set up more free public cultural service facilities. We should promote outstanding traditional Chinese culture. We should extend and standardize the use of the standard Chinese language. We should promote the development and flourishing of culture of ethnic minorities. We should launch reading programs for the general public. We should improve the contents of online services and advocate healthy themes on the Internet. We should foster respect for science and make the whole nation better educated in science. We should carry out fitness activities across the country and fully promote both recreational and competitive sports.

Enhance the overall strength and international competitiveness of Chinese culture. We should promote rapid development of the cultural industry and cultural services and ensure both social effect and economic benefits, with emphasis on the former. We should develop philosophy and the social sciences; the press and publishing arena; radio, television and films; and literature and art. We should develop new forms of cultural operations. We should develop a modern network to improve our capacity for communication. We should open the cultural sector wider to the outside world and draw on the cultural achievements of other countries.

Presenting a Vision

The ongoing 18th National Congress of the ruling Communist Party of China (CPC) is an important occasion for the Party to review its past and map out its future. Over 2,200 delegates elected by more than 82 million Party members from all walks of life across the country are attending the weeklong congress in the capital. **Zhou Mingwei**, President of China International Publishing Group, the country's largest foreign-language publishing group and a global media corporation, is among the delegates. On the eve of the congress, he shared with *Beijing Review* reporter Zan Jifang his expectations of the congress and his thoughts about the importance of cross-cultural communication. Edited excerpts follow:

Beijing Review: China's ruling Party's national congress has recently been a focus of the global media, and it is widely seen as an event of great global significance. Why has the congress attracted so much attention from the international community?

Zhou Mingwei: I think the reason for this is the increase of China's global influence. China's rapid growth has grabbed the world's attention since the turn of the century, alongside other major events like the September 11 terrorist attacks and the global financial crisis. Such acute attention to China's rise continues with the 18th CPC National Congress, as it will not only discuss significant domestic issues and hammer out the Party's and the country's future policies, but also elect a new generation of the Party's leadership.

In this sense, the congress is absolutely a historic event and will be a milestone of the Party's development. It is an important event not only to the Party, but also to all the people of the country. China's rapid growth was achieved by the efforts of its more than 1.3 billion people under the leadership of the CPC. It has been a process amid drastic changes in the



Zhou Mingwei

international community and numerous tests at home. Guided by the Scientific Outlook on Development, the Party overcame various difficulties and made remarkable achievements.

The congress is an important moment for

the Party to review the past 10 years, summing up the experience as well as lessons in development and reassessing its policies. It also provides a chance for Party members to study problems and challenges ahead, brainstorm solutions and further clarify the direction the Party will take. All Party members pay great attention to the outcome of the congress.

Another highlight of the congress is that the new generation of the Party's leadership will be elected. There will be many new elements that comprise the Party's leadership, such as their educational background, age and experience, which will definitely draw media attention. These will guide the direction of the Party and also the country for a rather long time. I am fully confident that the 18th CPC National Congress will meet the expectations of all Party members as well as the international community.

How do you see the domestic and international situations that the new leadership will face?

As part of the "China Miracle," China has been capable of maintaining rapid growth in a complicated domestic and international

environment, which should be recognized. Geographical conditions, a huge population and historical circumstances have led China down a path of uneven development and complexity.

It's normal to have this or that problem during our development, because in 30 years China has achieved what other countries spent decades more accomplishing. The problems China is facing are those that other countries have also faced. Given the fact that China has such a huge population, the new leaders are confronted with arduous tasks.

Every leadership had its own challenges. But the new leadership is elected at a time when China is enjoying unprecedented global influence and increasing international status, a time that China is more involved in international affairs and shouldering more international responsibilities. Former experience will not be applicable to tackle new problems. The world is getting more complicated, more diverse, and more mercurial, and so the new leaders are faced with unprecedented tests.

Some problems are new, some are old and some are caused by our limited experience, resources and capability. We may not resolve all of these at once, but I am confident that with the Party's tenets, our new experience and the people's efforts, we will resolve them gradually and move forward toward our set goals.

What will be the main topics at the 18th CPC National Congress?

I think the economic growth model, shifting the structure of the economy and problems related to people's lives will be the focus at the congress.

But in my opinion, as it is a Party congress, the most important thing is the sound development of the Party itself—how to ensure the Party adheres to its tenets and principles, maintains its purity and integrity, manages its members, meets the demand

and expectations of the people and deals with problems and challenges that the Party is facing.

The Party Constitution will be partly revised at this congress. What is the significance of this revision?

It is of great significance. It's a characteristic of the CPC the Party revises its Constitution in order to include the latest theories and governing experiences into the Constitution. The revision will reflect the new reality and new problems that the Party faces and the policy to address them. It is also a reflection of the consistent evolution of Party theories.

The Party's experience in combating corruption will also be included.

In my view, revisions will further improve and enrich the guidelines of the Party and more accurately reflect theory development and the achievements of the Party.

The development of cultural programs and reforms of the cultural sector were set as one of the key areas of future development at previous Party meetings. Why does the Party attach such importance to this sector? Will the development of this sector speed up after the congress?

Although cultural programs and the cultural industry in China have seen robust development in past years, they still have not met the people's demands and kept up with the level of the country's economic development.

The Sixth Plenary Session of the CPC's 17th Central Committee set new targets for the development of cultural programs. I believe that the 18th national congress will continue in that direction. I'm confident that the 18th national congress will further boost the development of cultural programs and enhance Chinese culture itself.

The congress will also serve as a driving force to build up the country's soft power and cultural prosperity. In my opinion, culture will play a more positive role

in the entire development of the country. Advanced culture will play an especially important role in the construction of ethics and values. Thus, pushing forward the development of cultural programs and deepening the reforms of the administrative system of the cultural sector is not only a duty of the ruling Party, but is vital to the establishment of a nation's value system. Passing on fine culture is essential in maintaining the everlasting vitality of a nation. The development of cultural programs will play a substantial role in helping pass down our own culture and communicate with other cultures and civilizations.

With China further integrated into the international community, cross-cultural communication has become increasingly important. What is an effective way to strengthen exchanges and communication between China and the rest of the world?

In my opinion, although every culture has its own uniqueness, we should not isolate Chinese culture from others. To have our culture be appreciated and enjoyed by others, we must first understand other cultures better and understand the place of Chinese culture in the evolution of world culture.

Better communication is based on common points between two cultures, which is the basis of mutual appreciation. Only after our culture resonates with others can it be appreciated. The value of a culture is embodied in mutual exchanges.

Currently, we don't know others very well. It's normal since we just opened up to the outside world three decades ago. We need to understand others better and at the same time help others know us better. ■

On a Confident Path

The 18th National Congress of the Communist Party of China (CPC) conveyed a clear message that the CPC will stick to its chosen path. The political and economic systems underlying China's ascent will be crucial to the future progress of the world's most populous nation, said **Xie Chuntao**, a professor with the Party School of the CPC Central Committee and editor of the recent bestseller *Governing China: How the CPC Works*, in an interview with *Beijing Review*. Excerpts follow:



Xie Chuntao

Beijing Review: What are the main messages from General Secretary Hu Jintao's report at the 18th CPC National Congress?

Xie Chuntao: In my view, it delivers four messages. First, the CPC is fully aware of the challenges it faces. When reviewing the past 10 years since the 16th CPC National Congress, Hu dwelled upon problems such as income gaps and the corruption of government officials, while only briefly mentioning the achievements. Second, the report shows the CPC's confidence about socialism with Chinese characteristics, a theory that has made it possible for China to achieve rapid development over the past three decades. Third, the CPC is determined to follow this theory in the years to come. It will neither return to the practice of self-isolation nor abandon socialism to take an erroneous path. Fourth, the CPC will tackle difficult problems with a pioneering spirit. As it works to accomplish the goal of building a moderately prosperous society in all respects by 2020, it will focus on tasks such as deepening reforms, changing China's growth model and protecting the environment.

How will the CPC carry out political restructuring in China in the years ahead?

The CPC will not conduct political reforms based on Western standards. Instead it will implement a wide range of reforms while upholding China's basic political systems such as

the people's congress system and the system of CPC-led multi-party cooperation and political consultation. For instance, apart from improving democratic elections, the CPC will continue to underline the importance of democratic consultation through which different social groups and political parties forge consensus. Since it has put in place a socialist legal system, China is stepping up efforts to ensure judicial impartiality and safeguarding citizens' lawful rights. Under the leadership of the CPC, it will also improve the self-governance systems of rural villages and urban communities. Moreover, the CPC and the government will put officials under stricter scrutiny to prevent corruption.

Why is a "socialist market economy" essential to China's growing prosperity in recent decades?

Unlike other market economic models, China's socialist market economy emphasizes state planning and the pursuit of equity. Since the invisible hand of the market does not always work well, the government's visible hand is needed.

The CPC and the Chinese Government see great value in regulating the market with economic, legal and administrative tools to ensure its healthy development. While many other economies bore the brunt of the devastating global financial crisis, China's socialist market system has shown great resilience as China pools resources across the country to cope with the crisis. The system combines the advantages of China's political system with those of a competitive market economy.

Western media often question the legitimacy of the CPC's leadership in China. What is your opinion?

The CPC acquired legitimacy as the ruling party of China as it led the Chinese people in founding

the People's Republic of China. With the passage of time, however, political dividends brought about by revolution are disappearing. Now the CPC has come to recognize the pressing need to seek new sources of legitimacy. People supported and participated in the Chinese communist revolution because the CPC promised a new society where everybody lives a happy life. After the revolution, hopes were high for the Party to honor its promise.

Since it came to power in 1949, especially since it adopted the reform and opening-up policy in 1978, the CPC has pushed for all-round economic, political, cultural and social development in China. It has set a series of goals, including realizing modernization and building a moderately prosperous society. As it keeps advancing toward these goals, its leadership position has strengthened.



How has the CPC's governance concept evolved since the reform and opening-up program started?

New social strata with diverse interests emerged in China following the advent of reforms. In this context, Jiang Zemin, former General Secretary of the CPC Central Committee, introduced the notion that the CPC must represent the development trend of China's advanced productive forces, the orientation of China's advanced culture and the fundamental interests of the overwhelming majority of Chinese people. In keeping with these principles, the CPC began to admit qualified members from various social strata other than only the working class. With this theoretical breakthrough, the CPC solved the hotly contested problem whether it would allow private entrepreneurs to join its ranks.

Since the beginning of the 21st century, China has been confronted with new problems as its reform and opening up drive progress. For instance, China's innovation capacity remains weak. While the wealth divide continues to widen, the development of rural areas lags be-

hind. China faces an uphill battle to narrow gaps between urban and rural areas and between different regions. Moreover, political restructuring has to be deepened because efforts to improve democracy and the legal system still fall short of the requirements to expand democracy and promote economic and social development. Against this backdrop, Hu put forward the political theory known as the Scientific Outlook on Development. While giving priority to socio-economic development, the concept advocates the consideration of overall interests with a people-first approach as well as comprehensive, balanced and sustainable growth.

How does the CPC provide leadership for China?

Under China's political system, the government is elected by and responsible for the people's congress. It is an administrative body that reports to and is supervised by the people's congress.

As the ruling party, the CPC is integrated into the people's congress system while maintaining adequate separation. Integration is evident

in that CPC committee leaders at various administrative levels usually chair standing committees of people's congresses at the same levels. Also, CPC members constitute the majority of members of committees of people's congresses and hold leadership posts in these committees. The CPC is therefore directly involved in legislative processes at various levels.

Separation requires the CPC not to make decisions on matters that fall under the mandate of the government. The CPC no longer issues orders or decrees to administrative bodies, enabling them to exercise administrative rights independently.

Under China's multi-party cooperation and political consultation system, how does the CPC work together with other political parties?

Apart from the ruling CPC, there are eight other parties in China. The Chinese People's Political Consultative Conference is the institution through which the CPC cooperates with and consults other parties as well as influential people without party affiliation. Since the beginning of the 21st century, they have put forth suggestions on important issues such as the development of west China, environmental protection, educational reform and the development of rural areas.

Governments and CPC committees at various levels have made it easy for non-communist parties and people without party affiliation to supervise government and Party affairs. For instance, the CPC gives a briefing to non-communist parties on integrity promotion and anti-corruption efforts every year. Many local governments invite members of non-communist parties to take part in inspection and law enforcement campaigns.

More than 30,000 non-communist party members and people without party affiliation hold official posts at and above the county level. Wan Gang, Chairman of the Central Committee of the China Zhi Gong Party, is now minister of science and technology, and Chen Zhu, Vice Chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party, is minister of health. Most of China's provinces have a vice governor that is not a member of the CPC. ■



COMMON LEGACY:
Visitors pose in front of statues of veteran CPC leaders on November 3 in Yan'an, a former base of the CPC in northwest China's Shaanxi Province

yanwei@bjreview.com

The Middle-Income Kingdom

The 18th CPC National Congress builds on past successes By Kerry Brown



The author is executive director of the China Studies Center of the University of Sydney

The 18th National Congress of the Communist Party of China (CPC) opened in Beijing on November 8. The first day consisted of the report made by Hu Jintao, General Secretary of the CPC Central Committee, about progress in the last five years and what the direction for the country needs to be in the coming five years during the period in which the congress lasts. Congress work reports are statements of consensus. They contain the key objectives the Party sets for itself, which all members agree to abide by, and which then set the framework within which the government work report delivered by the premier is organized sometime early next year when the National People's Congress is due to meet.

In the report given by Hu at the 17th CPC National Congress in 2007, he stated that the core objective for the Party remained, as it had been for the last three decades since reform and opening up started in 1978, to deliver economic growth. He also talked about the need for sustainable growth, for balance in society, for participation in decision making, and for taking people as the key. His report also stressed the need for intra-Party democracy, for stronger rule of law, and for continuing to build the foundations of a harmonious society in the coming decade as China becomes a middle-income country.

Growth

Within a few weeks of Hu making his work report in 2007, the world was engulfed in

the worst economic crisis in several decades. Lehmann Brothers bank collapsed globally, setting off a series of events which are still unfolding to this day. This in particular has raised challenges for the CPC and governments around the world. In 2008 and 2009, growth levels dropped, with most developed countries going into recession. China's exports fell, creating a knock-on effect on growth and employment levels.

Despite this, China was still able to deliver 8-percent growth in 2008, and over 10 percent annually from 2009 to 2011. These were within the targets set by the government in the 11th Five-Year Plan, which ran till 2010. The 12th Five-Year Plan, which started in 2011, set targets of around 7 percent for annual growth. This was in recognition that continuing to deliver such high levels of growth as China's per-capita income rose and its economic model changed was no longer sustainable.

In the period from 2002 onward, as Hu has been general secretary of the CPC Central Committee and Wen Jiabao has been premier, China has managed to pass a number of major economic benchmarks. It became the world's largest holder of foreign reserves in 2006, overtaking Japan. It became the largest exporter in 2008, and the second largest importer around the same time. The most dramatic landmark, however, was when it became the world's second largest economy in 2010, overtaking Japan. In the last decade, despite the global economic crisis from 2008, China has quadrupled the size of its economy, and, in the period from 2008 to 2011, added 40 percent to the size of its GDP.

In the last decade, it has become the world's largest consumer of all forms of energy apart from oil, where it still stands second to the United States. It has become a major



outward investor, and the second largest attractor of inward investment.

Challenges

There are also more problematic statistics. Chinese pollution has continued to grow, with the impact of rapid industrialization on the environment growing greater over the decade. Attempts by the government at the national and local level to do something about these serious issues regarding climate change, deforestation and water shortage in order to move toward a green economy are all set out in the 12th Five-Year Plan. But they remain aspirations at the moment, with a continuing challenge to try to balance the need for growth with environmental considerations.

For China, the real challenge will be to continue to find growth in ways that are sustainable and efficient



FAST TRACK: Visitors attend an exhibition showcasing China's achievements in the past decade in Beijing on November 1

HE JUNCHANG

with *Forbes* stating that the country now has over 200 billionaires in dollar terms, and on the other hand, with the country producing most of the wealth creation globally since 2002, the spread of this prosperity has been uneven.

Since 2004, the Party and the government have introduced policies to try to address this. In terms of social welfare, they have lifted taxes on farmers, and put more money into education and healthcare. The extraordinary increase of urbanization in the last decade, with the national census in 2010 showing that for the first time ever as many people lived in the cities as in the countryside in China, has created pressures on the living environment and on the ways in which welfare has to be structured. China's pension system remains a huge problem as the elderly population grows. How to address the imbalance between the rich and the poor has remained a constant challenge. While not wanting to impede people's entrepreneurial talents, policies have also had to be developed to work out how to try to redistribute wealth socially, and also in terms of geographic spread.

Efficiency

The issues that the Party outlined in Hu's speech in 2007 will continue into the new leadership, building on the progress made in the last five years. Maintaining decent levels of growth will be critical. Doing so sustainably will also be fundamental. Meeting people's increasingly high expectations of government while preserving social stability and allowing people to express widely divergent demands and interests is another major issue. China introduced an "open government act" in 2008, similar to freedom of information acts elsewhere. It has also introduced important processes for consultation about new laws, through the National People's Congress. Legal reform is important in

balancing interests in a society that is increasingly dynamic and diverse and where there are often differences that need legal redress.

The journey to middle-income status, which will dominate the coming decade, is a difficult one. This was something recognized by Hu in the 2007 report to the 17th CPC National Congress. The move toward a per-capita income of around \$8,000 or \$9,000 has been a challenging time for other societies, as they have had to readjust and change their economies, and the ways in which management happens in society. China is going through this process on a far larger scale than any other society has attempted. For this task, one of the key issues will be not so much growth (although of course that will remain important) but efficiency—efficiency in the deployment of capital, in the use of resources, in the supply of food, and in the ways in which society is governed and managed. Efficiency is a critical term for both the leaders of the 17th CPC National Congress, and for those coming in at the 18th CPC National Congress.

High levels of growth similar to those that occurred from 1980 onward as the reform and opening-up period progressed will no longer be possible. Levels around 7 percent are set for the period to 2015, with probably similar or lower levels afterward. For a rich society, maintaining double-digit growth is next to impossible. For China, therefore, the real challenge will be to continue to find growth in ways that are sustainable and efficient. Movement toward less capital investment, more innovation, more balance, and more economic interlinking are critical. These are the ongoing key tasks and they will be the ones that the new leadership from this November after the 18th CPC National Congress is over will have to focus their attention on. ■

yanwei@bjreview.com

Waste Disposal

The Chinese Government has released guidelines ensuring all dangerous wastes produced by major licensed units at or above municipal levels will be safely disposed of by 2015.

The document, which was made public on November 5, said that licensed waste-producing units safely disposed of 8.4 million tons of dangerous wastes in 2010, up 180 percent from 2006.

It urged strengthening control of sources of harmful waste, supervising all waste-processing procedures as well as integrating legal, administrative, economic and technological measures to stem illegal dumping and improve waste treatment capacity.

The guideline came after a series of waste dumping scandals affecting local environments and people's health. It set a goal of having 90 percent of waste producers and 95 percent of waste processors at all levels to meet government management standards by 2015.

In addition, the document set down several key missions including surveying dangerous waste, developing industries to utilize recyclable waste, and boosting capacities to safely dispose of heavy metals and medical waste.

Middle Class Expanding

China's rapid urbanization will greatly increase its number of middle-class people to

600 million and support an economic growth between 7 and 8 percent annually by 2020, a government think tank predicted.

The continued urbanization and the increase in middle-class consumers will spur investment demand by at least 40 trillion yuan (\$6.41 trillion) over the next 10 years, said the China Institute for Reform and Development in a report released on November 3.

A study by the institute indicated China's urbanization rate reached 51.3 percent in 2011, meaning over half of Chinese population were living in cities and towns

last year.

As more farmers are leaving their farmlands and becoming migrant workers in cities and towns, China is expected to have another 200 million migrant workers living in urban areas, said the institute.

Income Gap

The income gap between China's urban and rural residents has narrowed for three consecutive years, the Ministry of Agriculture said on November 1.

TRAPPED BY SNOW Rescuers clear snow from the Badaling section of Beijing-Tibet Expressway in Beijing on November 4, a day after the city was hit by snowfall and sleet



LI GUANRAN

CUTE CUB A panda keeper shows Oreo, a giant panda cub that was recently born at the Chengdu Research Base for Giant Panda Breeding in Chengdu, southwest China's Sichuan Province, on November 1



CPC Military Appointees



Fan Changlong

Fan Changlong and **Xu Qiliang** have been appointed Vice Chairmen of the Central Military Commission of the Communist Party of China (CPC) at the Seventh Plenary Session of the 17th CPC Central Committee on November 4. Vice President Xi Jinping, and two generals—Guo Boxiong and Xu Caihou—are also Vice Chairmen of the Central Military Commission of the CPC.

Fan was born in Dandong, northeast China's Liaoning Province, in 1947. He joined the People's Liberation Army (PLA) and joined an artillery regiment in the Shenyang Military Command in 1969. He became the commander of the regiment in 1982. He was appointed chief of staff of the Shenyang Military Command in 2000 and commander of the Jinan Military Command in 2004.

Born in 1950 in Linqi, east China's Shandong Province, Xu joined the PLA in 1966. He graduated from the Fifth Aviation School of the PLA Air Force and became a pilot in 1969. Xu served as deputy commander of the 26th Division of the Air Force and later served as commander from 1980 to 1984. He became chief of staff of the PLA Air Force in 1994. He served as deputy commander of the PLA's Shenyang Military Area Command from 1999 to 2004. Xu was appointed the PLA's deputy chief of general staff in 2004 and commander of the PLA Air Force in 2007.



Xu Qiliang

Rural residents' per-capita cash income stood at 6,778 yuan (\$1,086) in the first three quarters of this year, up 12.3 percent year on year, the ministry said, adding that the growth was 2.5 percentage points higher than that of urban residents.

The urban-rural income ratio was 2.72 to 1, down from 2.77 to 1 in the same period last year, according to the ministry.

The ministry warned that farmers' income growth will slow down due to soaring agricultural production costs.

Moreover, the grim global economic condition will have an impact on migrant workers' wages and weaken government efforts to boost the agricultural sector, it said.

Accountability System

A new system of village-based supervisory committees has been proposed in China to stem emerging misconduct and corruption among local officials and guard against infringement of farmers' interests.

An official document co-publicized on November 5 by 12 central government departments suggested the committees be formed in villages to improve supervision over members of villagers' committees, the autonomous bodies that govern all of a village's public affairs.

According to a copy posted on the website of the Ministry of Civil Affairs, systematic arrangements should be made to improve



MUSIC BRIDGE Two children play piano at a cultural charity activity in Hangzhou, east China's Zhejiang Province, on November 5, which was initiated by British installation artist Luke Jerram

auditing of village officials' economic responsibilities and hold them accountable.

"No village official should be relieved of accountability because of end of tenure or termination of service, until auditing shows they are clean," said the document.

Healthcare Affordability

The Chinese Government has pledged to establish a national basic medical and healthcare system by 2015.

To address high medical costs, the newly released highlights of the 12th Five-Year Plan (2011-15) for healthcare development says

that annual medical insurance subsidies for non-working urban residents and rural residents will be raised from about 240 yuan (\$38) to 360 yuan (\$58) by 2015.

China has a three-tier health insurance scheme, including insurance for urban workers, non-working urbanites and rural residents.

According to the plan, under all three schemes, health insurance can cover as much as 75 percent of total in-patient care expenditures, reducing patients' out-of-pocket spending.

Furthermore, more diseases will be covered by a medical insurance program designed to provide financial aid to seriously ill patients. The program began in June 2010 and covers 20 diseases.

Drug Wing Sentenced

A Chinese court on November 6 sentenced Naw Kham, a drug lord from Myanmar, and three of his subordinates to death for the murder of 13 Chinese sailors on the Mekong River last year.

Another two members of Naw Kham's gang, identified by their Chinese names Zha Bo and Zha Tuobo, respectively received a death sentence with reprieve and eight years in prison, according to a verdict handed down by the Intermediate People's Court of Kunming in southwest China's Yunnan Province. The two Zhas are from Myanmar.

The six suspects, comprised of five people from Myanmar, Thailand and Laos and one stateless suspect, faced charges of intentional homicide, drug trafficking, kidnapping and hijacking or a combination of those criminal offenses. The suspects were ordered by the court to pay compensations totalling 6 million yuan (\$960,000).

All six defendants said they will appeal the verdicts.



ARTS SHOW Wu Yuanxin and his daughter Wu Lingshu, heirs to a fabric printing technique indigenous to east China's Jiangsu Province, present a piece of work at the China Huangshan Intangible Cultural Heritage Skills Exposition in Anhui Province, on November 7. The expo shows 237 intangible cultural heritage items in the country

Trade Conundrum

The 112th session of the Canton Fair (October 15-November 4), China's largest trade fair, witnessed a decline in both participants and turnover.

A total of 188,145 overseas participants from 211 countries and regions signed up to attend the fair, 10.26 percent lower than the last session in the spring, and 10.5 percent lower from the corresponding period last year, said Liu Jianjun, spokesman of the event.

The fair has also seen a fall in its turnover—\$32.68 billion—a 9.3-percent decrease compared to the spring session.

Orders from European countries and Japan dropped considerably, while those from emerging markets showed minor declines.

“The double declines have shown China's severe situation in foreign trade,” said Liu. “But the good news is that some Chinese enterprises have shown their competitiveness through brand building and innovation.”

Shale Gas Subsidies

China will allocate targeted funds from its central budget to subsidize shale gas exploration as part of its efforts to optimize the country's energy sector.

A subsidy of 0.4 yuan (\$0.06) will be offered for every cubic meter of shale gas developed during the 2012-15 period, said the Ministry of Finance on November 5.

Local governments may introduce separate incentives according to regional needs.

The exploration of shale gas—an unconventional source of natural gas—has gathered steam in China amid the government's efforts to promote the use of clean energy.

China has rich reserves of shale gas, but expensive exploration costs and sophisticated technological requirements have substantially restrained the sector's growth.

WTO Complaint

China has requested consultations with the EU and certain member states concerning their photovoltaic subsidies, said the World Trade Organization (WTO) on November 5.

It alleges that certain measures affecting the renewable energy generation sector relating to the feed-in tariff programs of EU member states, including but not limited to Italy and Greece, include domestic content restrictions and are inconsistent with relevant WTO rules, said the statement.

Shen Danyang, spokesman of the Ministry of Commerce (MOFCOM) said that according to the laws of certain EU member states, the electricity generated by photovoltaic installations would be eligible for a specified amount or proportion of feed-in tariff subsidies if the main components of the installations are produced within EU member states.

Shen said in a statement that the illegal subsidy measures had significant adverse effects on the export of Chinese photovoltaic products and infringed upon China's rights as a WTO member.

According to WTO dispute settlement rules, if two parties fail to reach any solution within 60 days, a WTO panel can be established as requested to look into the case and make a ruling.

ODI Accelerates

China's overseas mergers and acquisitions (M&As) have gained traction in recent years as domestic policies encouraged cash-abundant companies to purchase foreign assets



ADDING POWER Staff from the State Grid construct a high-altitude power grid in Yushu, northwest China's Qinghai Province. Covering 803 km, the project is expected to be completed in June 2013

Numbers

23.26 trillion yuan

China's outstanding bonds at the end of October, according to the China Central Depository & Clearing Co. Ltd., the country's bond custodian, on November 3.

27.26 billion yuan

The amount of money that the Central Government will earmark to support public health services in 2013, according to the Ministry of Finance on November 6.



ROBOT DUEL Two industrial robots fight at the 2012 China International Industry Fair in Shanghai on November 6

amid the worsening euro zone debt crisis, new data indicates.

The number and volume of overseas M&As by Chinese enterprises increased to 208 and \$93.09 billion in 2012 from 107 and \$13.58 billion in 2007, according to the ChinaVenture Group, a leading research and consulting institute, on November 5.

Wan Ge, an analyst with ChinaVenture, said the European debt crisis allowed more Chinese enterprises to acquire undervalued assets in the European market.

Meanwhile, China's rapid economic rise created massive demand for energy and advanced technology. Energy and mining topped the list for the country's outbound M&As during the first three quarters of 2012.

There are also signs that China is diversifying its outbound direct investment (ODI)

from energy industries to other sectors including agriculture.

Eighty-two percent of China's ODI went to energy industries in 2009, but the proportion fell to 60 percent in the first half of this year, according to an Ernst & Young report.

China's ODI in non-financial sectors rose 28.9 percent year on year to \$52.52 billion in the first nine months, MOFCOM data showed.

Wind Power Transmission ▮

An expansion project for a power converter station that will allow power to be transmitted from northeast China to north China has been completed, said the State Grid Corp. of China on November 6.

The project will allow the station to trans-

First Chinese F1 Driver

HRT (Hispania Racing Formula One Team) announced on November 6 that **Ma Qinghua** will become the first Chinese F1 driver. Ma completed practice sessions for the Spanish-based team in Monza, Singapore and Abu Dhabi, where his superior skill earned him a spot on the team. Ma made his debut during a practice session for HRT at the Italian Grand Prix on September 7, making history as the first Chinese-born driver of an F1 car at an event sanctioned by the International Automobile Federation.

Ma was born in Shanghai in 1987 and first drove a racing car at the age of 8. He had won many car racing competitions in Asia before he was announced as a member of the HRT team's Young Driver Development Program in April. Ma is expected to represent HRT as a full-scale grand prix driver.



fer up to 3 million kw of power, making the station the world's largest direct-current back-to-back power station, said the company.

The expansion will improve northeast China's ability to transfer power to grids in the cities of Beijing, Tianjin and Tangshan of Hebei Province and improve the allocation of wind power generated in the northeast.

Northeast China has abundant wind sources. The company has predicted that the region's installed wind power capacity will eventually reach 24.34 million kw, accounting for more than 17 percent of its total installed capacity.

13

The number of supply contracts that China CNR Corp., the country's second largest train maker, has signed at home and abroad, according to a company statement to the Shanghai Stock Exchange on November 5.

50 billion yuan

The amount of finance that China's Bank of Communications will provide to the country's publishing industry in the next three years, according to an agreement signed by the bank and the General Administration of Press and Publication on November 6.



XINHUA/AFIP

Russian Foreign Minister Sergei Lavrov (left) speaks at a joint press conference with Secretary General of the Arab League Nabil al-Arabi (center) and UN-Arab League peace envoy Lakhdar Brahimi in Cairo on November 4. The three agreed there is no military solution to the Syrian crisis

EGYPT



LI XIANJIAN/AGF

Servicemen take part in a joint humanitarian rescue drill in Brisbane on October 31. The drill, named Exercise Cooperation Spirit 2012, was the first of its kind among China, Australia and New Zealand

AUSTRALIA



South African Reserve Bank Governor Gill Marcus shows South Africa's new notes in Pretoria on November 6. The new bank notes, bearing the image of former President Nelson Mandela, entered circulation that day

SOUTH AFRICA



Kim Jong Un, top leader of North Korea, poses with children during a visit to an ice skating rink in Pyongyang on November 3

NORTH KOREA

JAPAN

World heritage sites made of Lego blocks, including France's Mont-Saint Michel (front) and Greece's Acropolis (left), on display in Tokyo on November 1 at an exhibition marking the 40th anniversary of the World Heritage Convention



<http://www.bjreview.com>

THE UNITED STATES

New York City residents wait in line to buy gasoline during a snowstorm on November 7. A blizzard pummeled the city as it struggled to recover from the damage caused by Hurricane Sandy



全国翻译专业资格(水平)考试

China Accreditation Test for Translators and Interpreters (CATTI)



China International Publishing Group is responsible for organizing, implementing and administering the test under the guidance of the Ministry of Human Resources and Social Security



Tel: 010-68995947, 68328249

Web site: <http://www.catti.net.cn>

National Translation Test and Appraisal Center