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PLOWING AHEAD

Rural pockets set to expand

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Cover photo: Farmers work in a field on south China's Hainan Island, November 2, 2012 (HOU JIANSEN)

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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
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EDITOR

For the Sake of *Sannong*

Sannong is a term often used in China today to collectively refer to agriculture, farmers and rural areas. As a traditionally agrarian state with an extra-large percentage of rural population, issues related to *Sannong* are deemed of vital importance to China's economic prosperity and social stability.

With the reform and opening-up policies adopted during the late 1970s, special emphasis has been laid on addressing the trio of issues. Not only have a wide array of relevant policies or measures been carried out, but the authorities have also launched regular work mechanisms, such as the annual Central Rural Work Conference, to identify hidden challenges and map out strategies and tasks necessary to overcome them in the days ahead.

At the most recent rural work conference late last December, some major tasks were again laid down for the New Year. These include building up intensive agronomy in the country, further raising the average income level of farming households, and stepping up budgetary spending on public utilities and welfare services in rural areas.

These tasks also correspond to the blueprint laid out by Hu Jintao, General Secretary of the 17th Communist Party of China (CPC) Central Committee, last November. In his report to the landmark 18th CPC National Congress, the outgoing Party chief envisioned a much brighter and more prosperous landscape for China's agriculture, the countryside, as well as farmers in 2020, in the run-up to the centennial anniversary of the founding of the CPC the following year.

A little over six decades ago, the CPC defeated the Kuomintang and founded New China, largely relying on the popular support of the broad public, particularly from Chinese farmers. Three decades later, the CPC once again summoned enthusiastic support by initiating reforms in agriculture. Another 30 years or so later, the CPC has, for the sake of *Sannong*, embarked on a new campaign toward its decades-long goal. This could be seen as a top priority that must be fulfilled by all measures, as the ruling Party firmly understands what it means for China's agriculture—one of the nation's key economic lifelines—as well as the lives of a majority of its citizens at the basic level. ■

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GRACE AND FESTIVITY

On January 8-10, the National Ballet of China presents *Guonian*, a local version of *The Nutcracker*, at the Tianqiao Theater in Beijing to celebrate the coming Spring Festival, which falls on February 10 this year.

Popular Destination

Tourists queue for visiting the Potala Palace in Lhasa, capital of southwest China's Tibet Autonomous Region.

The number of tourists to Tibet surged 21.7 percent year on year to a record 10.58 million last year, the region's Tourism Bureau said on January 8.

Revenues for the tourism sector increased 30.3 percent year on year to 12.65 billion yuan (\$2 billion), according to official statistics.

Three national parks were opened in Tibet last year, adding to existing attractions, such as the Potala Palace.

Authorities expect to see 15 million tourists visiting the region annually by 2015.



Disciplinary Sanctions

More than 160,000 Party officials were punished in China for disciplinary violations in 2012, according to official figures released on January 9, 2013.

The information was released at a press conference held by the Central Commission for Discipline Inspection of the Communist

Party of China and the Ministry of Supervision.

Disciplinary inspectors launched investigations into more than 155,000 cases in 2012 based on tips from the public. More than 153,000 cases have been concluded, resulting in punishments being handed down for 160,718 people.

The investigations led to the recovery of 7.83 billion yuan (\$1.26 billion) in direct economic losses resulting from the violations.



Medical Insurance

The Chinese Government will raise subsidies for rural residents' medical insurance in 2013, Minister of Health Chen Zhu announced on January 7.

Under the New Rural Cooperative Medical Program, the annual government subsidy for each rural resident will be increased from the current 240 yuan (\$38.57) to 280 yuan (\$44.99), Chen said at the National Health Work Conference in Beijing.

Rural residents participating in the program will each pay an annual premium of 60 yuan (\$9.64).

China launched the rural insurance scheme in 2003 in a bid to ensure that the country's vast number of rural residents have access to affordable medical treatment and to reduce disease-triggered poverty.

The amount of people covered by the program has skyrocketed from 80 million to 900 million.

Pension Growth

Chinese authorities have decided to raise the pension for corporate retirees by 10 percent to cope with the rising cost of living, according to a cabinet meeting on January 9.

The new rules took effect retroactively on January 1.

According to a press release issued after the meeting, the pension for corporate retirees in 2013 will be raised based on the basic level of their monthly pension per capita in 2012.

The Central Government pledged to establish a pension-adjusting mechanism to ensure that pensions for corporate retirees could be raised gradually.

China has raised pensions for



COLD SNAP

A vessel sails through drifting sea ice off the coast of Qinhuangdao, north China's Hebei Province, on January 8



ICE ART

A Russian sculptor puts the finishing touches on his work at the 27th China (Harbin) International Ice and Snow Sculpture Competition, which closed on January 8 in Harbin, northeast China's Heilongjiang Province



corporate retirees since 2005. Their per-capita monthly pension has been lifted from 700 yuan (\$112) in 2004 to 1,721 yuan (\$277) in 2012.

Anti-Drug Facilities

The Chinese Government is planning to increase the capacity of the nation's voluntary drug rehab centers, said Minister of Justice Wu Aiyung on January 9.

Since 2006, a total of 25 such rehab centers have been operating in 14 provinces and have taken in about 51,000 drug addicts, Wu said at a meeting in Beijing.

The centers are open to drug users who volunteer to receive treatment and those who leave compulsory drug rehab facilities but want further medical and psychological help.

The government will build more rehab centers in more provinces, according to Wu.

About 922,000 Chinese participated in compulsory drug rehabilitation over the past four years, according to a report by the Ministry of Public Security released in June 2012.

Emissions Reduction

Beijing will continue to lower emissions of sulfur dioxide, nitrogen oxides, organic water pollution and ammoniacal nitrogen this year, local authorities said on January 8.

The four pollutants are each expected to be cut by 2 percent from levels recorded last year, according to Qiao Shufang, an official with the Beijing Municipal Environmental Protection Bureau.

In 2012, Beijing planned to cut emissions of sulfur dioxide, organic water pollutants and ammoniacal nitrogen by 2 percent each and that of nitrogen oxides by 3 percent from the previous year.

The Ministry of Environmental Protection is examining Beijing's performance in the emissions cut, but Qiao said that last year's targets had already been met.

In recent years, Beijing's permanent population has been growing by over 400,000 annually, an increment itself comparable to the population of a medium-sized city. The growing population can raise organic water pollution by 15,000 tons and ammoniacal nitrogen levels by 1,500 tons each year. The city has to build a new sewage treatment factory every year to keep up, Qiao said.

There are also 400,000 new vehicles on the city's roads each year, increasing the difficulty of treating air pollution, Qiao added.

Lottery Sales

China's welfare lottery sales hit a record 151.03 billion yuan (\$24.27 billion) in 2012, up 18 percent year on year, the Ministry of Civil Affairs announced on January 6, 2013.

Lottery sales raised more than 46.4 billion yuan (\$7.46 billion) for public welfare funding last year, according to the ministry's press release.

Half of the country's public welfare funds go to China's treasury, while the other half is distributed to local governments across the country. Funds are then allocated to social welfare programs and charities.

The aggregate sales volume of the welfare lottery has exceeded 787.6 billion yuan (\$126.56 billion) since its debut in 1987, and more than 253 billion yuan (\$40.65 billion) in public welfare funds have benefited hundreds of millions of people around the country, the press release said.

According to China's Regulations on Lottery Management, money raised through lotteries is divided into three parts: the jackpot, lottery management fees and public lottery funds.

Patent Authorization

The State Intellectual Property Office granted 1.26 million patents in 2012 to domestic and overseas applicants, up 31.25 percent from a year earlier, according to data released by the office on January 8, 2013.

The office received 2.05 million patent applications from home and abroad in 2012, a year-on-year increase of 25.77 percent, Commissioner of the office Tian Lipu said at a conference on intellectual property rights.

The office grants patents in three categories: inventions, utility models and designs.

The number of invention patents granted by the office jumped 26.1 percent to 217,000 cases last year, Tian said.

By the end of 2012, China had 435,000 legitimate invention patents (not including those from Hong Kong, Macao and Taiwan), which represent an average of 3.23 invention patents for every 10,000 Chinese.

The government aims to have an average of 3.3 legitimate invention patents per 10,000 people by 2015.

Deadly Blaze

Firefighters work hard to extinguish a fire in a farm produce wholesale market in Shanghai's Pudong District on January 6.

The fire left five people dead and 14 others injured. Its cause is under investigation.

The Shanghai Municipal Government has ordered an overhaul of fire prevention measures across the city.



All Roads Lead to a Highway

The Luoyang-Luanchuan Highway, linking two cities in central China's Henan Province, is put into use.

After the completion of five highways in the western part of the province at the end of 2012, all cities and counties in the province have access to highways within 20 minutes.

With a total length of 5,800 km, Henan has the longest highway in China for seven consecutive years.



WANSONG

Inflation Rises

The consumer price index (CPI), a main gauge of inflation, grew 2.5 percent year on year in December, said the National Bureau of Statistics on January 11.

The inflation rate increased from 2 percent in November and a 33-month low of 1.7 percent in October as food prices jumped.

December's CPI rose 0.8 percent from the previous month.

Food prices, which account for nearly one third of the CPI basket, rose 4.2 percent in December from one year earlier, pushing the CPI up by 1.37 percentage points.

Vegetable prices jumped 14.8 percent year on year in December as chilly weather disrupted vegetable

transportation, pushing the CPI up by 0.41 percentage points.

Trade Growth Slows

China's foreign trade growth missed the government's 10-percent target set for 2012 by rising only 6.2 percent from 2011, China Customs data showed on January 10.

Exports and imports totaled \$3.87 trillion in 2012, and growth slowed sharply from the 22.5-percent rise registered in 2011, said Zheng

Yuesheng, spokesman of the General Administration of Customs, at a press conference.

Exports stood at \$2.05 trillion, up 7.9 percent from the previous year, while imports were \$1.82 trillion, up 4.3 percent year on year.

Trade surplus widened to \$231.1 billion in 2012, 48.1 percent more than the level recorded in 2011.

In December alone, China's exports gained 14.1 percent from one year earlier to \$19.92 billion. Imports rose 6 percent year on year to \$18.18 billion.

Top Energy Producer

China remained the world's largest energy producer for a fifth year in 2012, said the National Energy Administration on January 9.

Its total installed power generation capacity had reached 1.14 billion kw by the end of 2012.

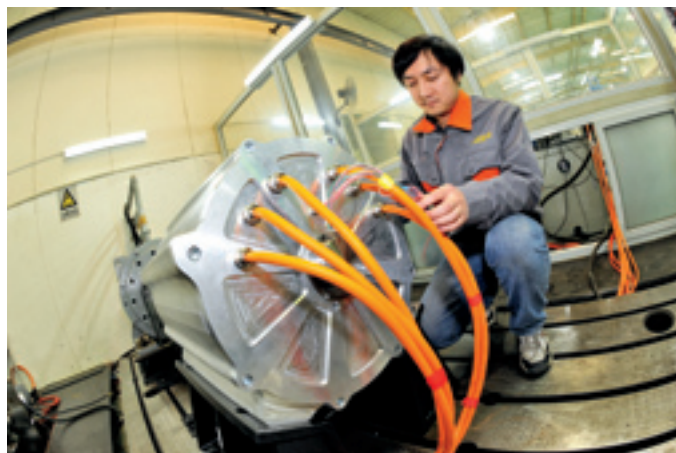
Installed hydropower capacity stood at 249 million kw, the largest amount in the world. Its wind power had also led the world with an installed capacity of 63 million kw by the end of 2012.

Crude oil reserves and production steadily increased, while natural gas production saw rapid development last year.

China has been the world's largest energy producer since 2008, official data show.

Promising Film Market

China's box office sales hit 17.07 billion yuan (\$2.74 billion) in 2012, up 30.18 percent year on year and making the country world's second largest film market, said the State



WANSONG



VITAL INVENTION

A worker checks the 100-kw two-circuit electric machines on January 7, invented by Sino-EV Tech Co. Ltd., a Beijing-based company. As a key component for the engine of electronic vehicles, the machine has huge significance for the development of China's new energy vehicles



NUMBER ONE PORT

Cargo docked at the Huanghua Port in Hebei Province. The port's throughput in 2012—102,000 standard containers—is the largest among all ports across the country



Administration of Radio, Film and Television (SARFT) on January 9.

Chinese filmmakers produced 893 films last year, including 745 feature films and 33 animated films.

“Now, China is the world's third largest film producer and second biggest film market,” said Tong Gang, head of film bureau of the SARFT.

However, ticket sales for imported movies totaled 8.8 billion yuan (\$1.41 billion), or 51.54 percent of gross ticket revenue, ending the box office dominance enjoyed by domestic films for nine years.

“Though the domestic box office was no match for that of imported movies, the 48.46-percent share still exceeds market expectations issued earlier this year following the signing of a new China-U.S. film agreement,” said Tong.

According to the agreement, China increased its annual import quota of Hollywood blockbusters from 20 to 34 and lifted their share of revenue from 17.5 percent to 25 percent.

As a result, 14 American films hit Chinese theaters in the first half of 2012. These were among 38 overseas films that raked in two thirds of total ticket sales in the first six months of the year.

GDP Revised Up

The National Bureau of Statistics (NBS) on January 7 pushed China's GDP for 2011 slightly up based on its final verification.

The revised GDP was 47.31 trillion yuan (\$7.52 trillion), up 22.2 billion yuan (\$3.57 billion) from the preliminary verification figure.

The year-on-year growth stayed unchanged at 9.3 percent calculating in constant prices.

According to international practices, the GDP figure is usually adjusted several times as more statistics become available, said the NBS.

NBS calculates each year's GDP three times: preliminary calculation before January 20, preliminary verification before the end of September, and final verification before the end of January the following year.

Numbers

8.2 trn yuan

The amount of new yuan-denominated loans in 2012, according to the People's Bank of China

79.91 mln units

The number of home appliances sold under the rural subsidy program in 2012, up 22.6 percent from a year earlier, according to the Ministry of Commerce

81.8 mln

The passenger volume at Beijing Capital International Airport in 2012, up 4.2 percent year on year

95.1%

The growth rate for the vehicle sales of Great Wall, a Chinese private auto company, in New Zealand, from 512 in 2011 to 999 in 2012, according to the Motor Industry Association

Medication Price Cuts

A staff member sorts out medicine in Nanchang, capital of east China's Jiangxi Province.

Prices for 400 drugs will be reduced by an average of 15 percent starting from February 1, said the National Development and Reform Commission on January 8.

The commission said it will cap the retail prices of 20 categories of drugs used to treat respiratory illnesses, pain and fever.

It also has plans to adjust the prices of some types of Chinese herbal medicine.



THIS WEEK WORLD



THAILAND

Customs officials inspect rhino horns seized from a passenger's luggage at Suvarnabhumi Airport in Bangkok on January 7. The horns, weighing 10.6 kg and valued at about \$600,000, were allegedly smuggled from Mozambique



AP/WIDEWORLD



AP/WIDEWORLD



RUSSIA

Visitors watch a performance in a Moscow park on January 7, the day the Russian Orthodox Church celebrates Christmas, in accordance with the Julian calendar



NORTH KOREA

Members of a private U.S. delegation, including former New Mexico Governor Bill Richardson (center right) and Google Executive Chairman Eric Schmidt (center left), visit the Korea Computer Center in Pyongyang on January 9



AP/WIDEWORLD



XINHUA/AFIP

XINHUA/AFIP



AUSTRALIA

A firefighter works to put out a bush fire in New South Wales on January 8. Forest fires ravaged southern Australia amid soaring temperatures



INDIA

A man flies a kite during the International Kite Festival in Mumbai on January 7



ZHANG NIANE



SYRIA

Customers buy pancakes in Damascus on January 5. The city's food supply remains adequate despite ongoing armed clashes

“The Internet phrase ‘killed within a second,’ which means making an order immediately when shopping online, is now used to describe the destiny of officials investigated and sacked shortly after being exposed for corruption via microblog.”

Jiang Ming'an, a law professor at Peking University, commenting on China's anti-graft campaign progress in Beijing on January 9



“Tokyo's frequent resort to military tactics is not favorable for the resolution of the islands row. However, there is little chance of the situation spiraling out of control.”

Ruan Zongze, Vice President of the China Institute of International Studies, when interviewed in Beijing on January 9



“Apart from the fact that more imported blockbusters joined the box office race last year, another important reason for domestic movies losing share is the lack of core creativity. China's film industrialization is still far from other leading film producers.”

Tong Gang, Director of the Film Bureau of the State Administration of Radio, Film and Television, commenting on the decline of market share of China's domestic films on January 9



“Italy lacks a fiscal system able to take an exact picture of reality.”

Lucio Battistotti, Director of the European Commission Representative Office for Italy, commenting on the current political and economic situation in the country



“The upcoming talks with the IAEA may fail if they do not consider Iran's rights to peaceful nuclear activities and enter the negotiations with ‘pre-judgments.’”

Head of Atomic Energy Organization of Iran Fereidoon Abbasi, speaking in Teheran on January 9 about the upcoming nuclear talks between Iran and IAEA



FOSTER MOTHER



Yuan Lihai, 49, from Lankao County in central China's Henan Province, became known recently for taking in homeless children and raising them on her meager income. Over the past 20 years, she has adopted more than 100 kids.

A fire broke out in Yuan's home while she took a number of her older children to school on the morning of January 4. Six kids aged from 7 months to 5 years and one 20-year-old man, died in the blaze. Investigations found that trouble occurred when children started playing with fire. People say the local government is to blame for the tragedy.



BEST FEMALE DIVER



Chinese athlete Wu Minxia was named best female diver of 2012 by FINA (the Fédération Internationale de Natation) on January 5. Wu won the same title in 2011.

She scooped the women's 3-meter spring-board diving gold medal and the women's 3-meter synchronized gold at the 2012 London Olympics, becoming a grand slam star.



DENG XIAOPING'S LEGACY

Lifeweek
January 7

The Chinese version of the book *Deng Xiaoping and the Transformation of China*, written by Harvard professor Ezra F. Vogel, will be released on January 18 via SDX Joint Publishing Co. It reviews the life of late Chinese leader Deng Xiaoping and the country's development since reform and opening up. The original English version, first published in 2011, received favorable response.

Although Deng passed away 16 years ago, he still bears influence on modern China. Newly elected Party leader Xi Jinping visited Guangdong Province shortly after assuming his post, treading in the former

leader's footsteps of 20 years ago.

Li Xin, chief editor of SDX, said, "We believe today's China forms part of the Deng era. The book will help Chinese readers to understand their country's past and present direction."

Vogel began work on the book in 2000 upon retirement and finished it 10 years later. He said in the preface, "Since Deng Xiaoping exerted the biggest influence on China's modernization, an in-depth analysis of his life and career can afford a better understanding of the country's recent social and economic development."

Behind the Chemical Seepage Accident

Beijing Youth Daily
January 8

A huge amount of the chemical compound aniline leaked into a disused reservoir and a river in Changzhi, north China's Shanxi Province, after a pipe burst on December 31, 2012. However, provincial environmental protection authorities did not receive an accident report until January 5. Pollutants subsequently spread toward neighboring Hebei and Henan provinces, seriously affecting daily life.

Explaining why the report was delayed, officials in Changzhi said they failed to clearly grasp the extent or effect of aniline pollution.

According to local residents, officials would have understood the scale of the disaster if they had visited the affected area sooner. With a little more concern regarding the public, it would have come to light that a local plant named Tianji Coal Chemical Industry Group has been polluting the environment for years, poisoning fish and contaminating drinking water.

While the local government made efforts to block pollutants, it failed to report to upper-level authorities for technical guidance and expertise to deal with the matter.

The incident has exposed the bad habit of covering up and indifference to environmental well-being. In many cases, such irresponsibility serves as the fundamental reason behind catastrophe.

Students' Own Desks and Chairs

The Economic Observer
January 7

Primary and secondary school students in

Wuchuan, a city in south China's Guangdong Province, are required to bring their own desks and chairs to schools for class.

The area, among China's first to open to the outside world, is regarded as both rich and prosperous. However, to public surprise, scholars have been left to fend for themselves.

In explanation, local education authorities said the fiscal budget for each primary school student per semester is very low, which is enough to support basic daily expenses alone. If schools provide desks and chairs, it would be very difficult to sustain daily operation.

However, such facilities are basics in education and a precondition for school life. Besides,

yearly refurbishment is unnecessary.

Some principals explain that, because schools can only provide old desks and chairs, parents prefer to buy their own, allowing kids to use their personal sets from primary through to middle school. This explanation lacks credibility too, though. If schools have good desks, will students have to provide their own?

Asking scholars to do so is a violation of the Law on Compulsory Education, and relevant officials must be held accountable. The phenomenon is a shame to China, but, is to some extent exposing a cruel reality.

CHINESE ENTERPRISES' WELFARE INDEX OF 2012

Oriental Outlook
January 3

A report on the welfare of Chinese employees was released in December 2012 in Beijing.

The report is based on the first nationwide investigation into employee welfare conducted that year, which involved 4,356 companies across 64 cities. Accordingly, the Chinese enterprise employee welfare index is 65.37, against the highest of 100. An increased index means better welfare.

Social insurance has the widest scope, with 91.8 percent employees covered. Commercial insurance has the lowest, with only 53.8 percent included. Welfare that employees hope to improve most includes pensions, medical care and housing.

The financial, energy and chemical industries have a higher welfare index than others while the hotel, tourism, media and publishing industries have the lowest. Foreign companies offer the best welfare, state-owned ones follow and private enterprises offer the poorest.

In a word, Chinese employee welfare lags behind that of developed countries. An imbalance exists between different regions, industries and companies of different ownerships.



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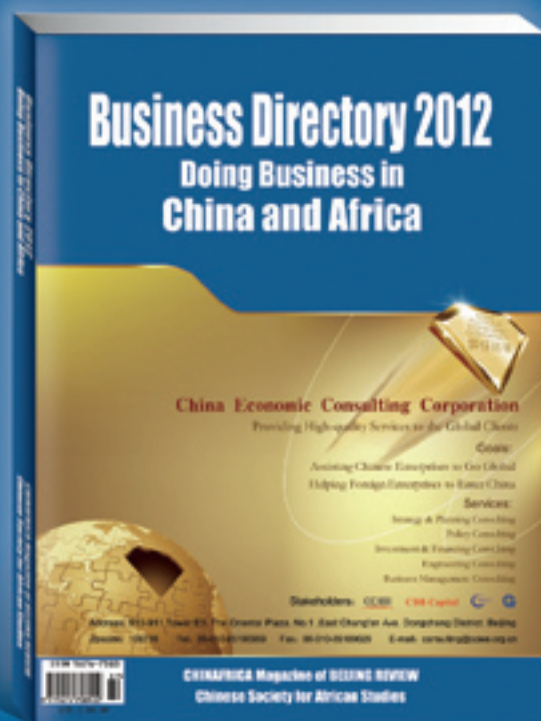
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COVER STORY

MODERNIZING AGRICULTURE

The Central Rural Work Conference charts a new path for development
By Tang Yuankai



When Zhang Shifang started growing strawberries in her 10 greenhouses in Cuicun Township of Beijing's Changping District in 2005, she made 40,000 yuan (\$6,428). Nowadays her strawberries never fail to sell out, and tourists flock to her farm to pick their own by hand.

"We use harmless pesticides. The strawberries can be eaten without being washed," Zhang said. "The government pays for half of such materials as pesticide and fertilizers."

The government subsidizes a farmer

30,000 yuan (\$4,821) per strawberry greenhouse, each requiring 50,000 to 80,000 yuan (\$8,035-\$12,856) to build. According to *The Beijing News*, Wang Lifu, Deputy Director of the Rural Service Center of Changping District, the government subsidizes seeds, fertilizer and equipment, which has raised farmers' enthusiasm for growing strawberries, a crop that is ordinarily so labor- and capital-intensive to dissuade most small farmers from cultivating.

Strawberry sales in Changping have skyrocketed from 40 million yuan (\$6.4 million) in 2005 to 388 million yuan (\$62 million) in 2012.

The rural population's income increased 3 percent faster than that of urban residents in 2010 and 2011, and 2.5 percent faster in the first three quarters of 2012. Continuing to narrow the gap in 2013 is a goal set at the Central Rural Work Conference held last December.

The conference mapped out the path of developing rural areas in the next few years, emphasizing an increase in rural residents' income, reflecting the Party's concern for farmers' interests. The Party will continue to improve the farmers' living conditions and coordinate the development of rural and urban areas.

The 18th National Congress of the Communist Party of China (CPC) held last November promised that rural and urban residents' 2020 per-capita income would be double that of 2010, which means that the farmers' annual per-capita net income should grow by 7 percent annually. According to Minister of Agriculture Han Changfu, "The goal of rural work in 2013 is to ensure food safety and supply of important farm produce, and increase farmers' income. Grain output is expected to stay above 525 million tons and farmers' income is to grow by more than 7.5 percent."

Currently, the development of rural areas and the improvement of farmers' living conditions rely on the government's policy and financial support. However, the Chinese Government is also calling for active involvement of social forces in developing rural areas, ▶▶



VEGGIE FACTORY: Farmers harvest shallots at an industrial plantation in Mingji Township, Zouping County in east China's Shandong Province, on May 22, 2012

ENHANCED LOGISTICS:

Farmers in the Guosheng Vegetable Cooperative in Wenxian County, central China's Henan Province, load vegetables onto a truck for eventual transport to Hong Kong on October 10, 2012



Co-ops Boost Rural Economies

- A law governing rural cooperatives was implemented on July 1, 2007, with the purpose of protecting the legal rights of rural cooperatives and their members and promoting the development of agriculture and rural economy.
- Currently, there are over 600,000 legally registered rural cooperatives. More than 43 million families have joined cooperatives, accounting for 17.2 percent of rural families, and those who do enjoy incomes 20 percent higher than those who do not.
- An additional 28,000 miscellaneous rural economic organizations provide services to 110 million rural families and form the main body of agricultural production. Revenues of leading rural companies now hit 5.7 trillion yuan (\$916 billion), producing one-third of agricultural products in the Chinese market.

particularly cooperatives.

The CPC Central Committee issues a document at the beginning of each year identifying key problems in need of urgent solutions. The past nine concerned rural development and improving farmers' welfare.

In 2006, China lifted a burden from farmers by abolishing the 2,600-year-old agriculture tax.

In recent years, many farmers have left farms to work in cities, instigating an agricultural transformation from household production to large-scale intensive production in order to improve efficiency. Improving infrastructure and utilizing science and technology in agriculture have become twin foci of rural development.

The 2012 CPC Central Committee document stressed the importance of modernizing agriculture and realizing stable growth of grain output with the help of science and technology.

At the beginning of last year, the Ministry of Agriculture organized agricultural experts to give advice to farmers on growing grains in order to achieve high grain output.

Grain output realized a ninth consecutive

year of growth in 2012 in spite of frequent natural disasters and fluctuations in food prices in the international market.

Bi Meijia, chief economist of the Ministry of Agriculture, said, "To improve grain growers' income, we should enhance overall agricultural productivity and reduce the impact of natural disasters. At the same time, we need to increase investment in agriculture and give more subsidies to farmers."

Last March, Minister Han said at a press conference on the sidelines of the Fifth Session of the 11th National People's Congress that China earmarked 1.2 trillion yuan (\$19 billion) in 2012 from its central budget to support agriculture, up 18 percent from the previous year. The country had significantly increased subsidies for seeds, machines and other materials.

However, Han also pointed out that the country's investment in agriculture needs to be further increased to solve difficulties in development.

Modernizing management

The recent Central Rural Work Conference also called attention to reform China's agricultural management system, responding to the plans laid down at the 18th CPC National Congress to construct a new system featuring intensive, professional and organized production. A pending CPC Central Committee document is likely to focus on reforming agricultural management system.

Industrialization and urbanization have brought more people from farms to cities. According to statistics from the Ministry of Human Resources and Social Security, among 250 million rural workers, 150 million work away from their homes, mostly as migrant workers in cities. In many villages, women and elderly increasingly constitute a labor force that is becoming more physically weak. The recent Central Rural Work Conference raised questions of both who will do the farming and how it will be done.

Han said, "Farmers' reluctance to farm reflects problems in our policies." A recent report released by the Research Center for Rural Economy said certain rural areas face acute labor shortage and abandoned farmlands. Agriculture is becoming a secondary vocation for many. Fostering a new agricultural labor force and maintaining food safety are top priorities.

Rural Financial Times reported on Liu



NATURE'S CANDY: Two young girls reach for strawberries in Xiguan-zhuang Village in Beijing's Changping District on February 18, 2012, the first day of the Seventh International Strawberry Symposium



BUMPER HARVEST: Farmers in Lujia Village in Qingzhou City, east China's Shandong Province, use a mechanical thresher to harvest wheat on June 9, 2012

Congde, a farmer in Huaiyang County in central China's Henan Province, at the end of last year. Liu's story reflected the difficulties facing China's agricultural development. With all his children working in cities, Liu, 72, had to grow turnips. Because turnip prices were very low in 2012, he earned nothing after a year's hard labor.

Zheng Fengtian, a professor from the School of Agricultural Economics and Rural Development at Renmin University of China, said that the Central Rural Work Conference was aimed at invigorating rural development. "The current agricultural management system can stimulate enthusiasm for farming to a certain extent, however, more services should be provided to farmers," Zhang added.

Regulating land transfers

The Central Rural Work Conference specified that the farmers' contracted land should be well protected and they should not be forced to transfer the contracted lands.

Land transfers refer to the farmers renting their contracted land to other farmers or companies while reserving their contracting rights. It occurs when a large number of farmers migrate to cities. Farmers in China do not typically own land, and instead lease plots from the state for 30-year terms.

"Land transfers have put farm lands in the hands of a few people or a few companies, raising agricultural productivity and modernizing agriculture. It will certainly exert a huge impact on China's social and economic development," commented Dang Guoying, Director of the Rural Development Institute at the Chinese Academy of Social Sciences.

However, some local governments force the farmers to transfer their land at a low price to companies. And the transferred land is ill-managed, endangering the country's food safety. Meanwhile, the farmers cannot find a new means of making a living after transferring their lands, raising the possibility of social unrest.

Cheng Guoqiang, a researcher with the Development Research Center of the State Council, said land transfers should be carried out according to law and the farmers' interests should be well protected during the process.

Farmers in Huaxian County, Henan Province, can decide for themselves whether to transfer their lands or not, setting an example for how local governments should conduct land transfers.

Land transfers could prevent lands from

being abandoned. For example, before land transfers were carried out in Longgang Village, Xiaogan City of central China's Hubei Province, more than 40 percent of farmland was abandoned. In 2011, Longgang Village jointly established Longgang Land Cooperative with Chunhui Rice Company of Xiaogan. Villagers turned 400 hectares of their contracted land into stock shares of the company, and dramatically increased yields.

Dongfu Group in Jilin City of northeast China's Jilin Province cooperated with a local village to grow and process rice, employing more than 90 percent of villagers and raising their annual per-capita income to 18,000 yuan (\$2,893).

Liu Yandong, Chairman of Dongfu Group, said, "Rents from the transferred land only account for a small portion of farmers' income. A larger part of their income comes from dividends after their land is turned into stock shares for our group."

Flourished rural cooperatives

Zhang Xueqi, a grain grower in Xindai Township, Pinghu City of east China's Zhejiang Province, planted 13 hectares of wheat last year, but bad weather hindered him from harvesting, threatening huge losses.

The Xinlian Food and Oil Cooperative, established in June 2011, came to Zhang's rescue. Xinlian is the largest co-op in Pinghu. Head of Xinlian Gu Chunmei said Xinlian had invested altogether 40 million yuan (\$6.4 million) in providing necessary services to farmers and facilitating farmwork.

Wang Hailing, a 57-year-old farmer in Hongsi Village, Shunyi District of Beijing, made a living on a farm before an international flower center was established in the district, which forever altered her way of life. She now leads a

life like an urban citizen, working in the center and receiving a monthly salary. What makes her extremely pleased is that she is now covered by the five types of social insurance.

With the help of a rural cooperative, He Hanxi, a farmer in Zhifeng Township of Dazu County in the west of Chongqing Municipality can now receive 2,400 yuan (\$386) per year for renting her land, and by working at the vegetable center near her home, she can earn more than 1,000 yuan (\$161) every month. She said that the rural cooperative has increased her income.

Vice Premier Hui Liangyu stressed last July that rural cooperatives performed important roles in modernizing agriculture, increasing farmers' income and boosting the rural economy.

"The rural cooperatives satisfy farmers' wishes to cooperate and potentially chart a course for reform of the agricultural management system," Hui said. "Rural cooperatives should be further developed to reduce production costs and improve efficiency." ■

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