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TURF GAMES

U.S. move adds strain to islands dispute

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A Triple Threat

U.S. stance on islands dispute calls for shift



On the Borderline

China-Japan tensions have global impact

THE DESK

» Time to Mend Fences **02**

THIS WEEK COVER STORY WORLD

» Changing Rules of Engagement **18**
Sino-U.S. ties enter fresh phase

NATION

» The Better Life on Grasslands **26**
Drifters nestle into new homes

» Kitsch & Kaboodle **28**
Crafters discover boxed-up new outlet

BUSINESS

» Upping the Fight **36**
Cooperation essential to end monopoly

» Cutting Circulation Costs **38**
Pricey logistics hamper development

» Market Watch **40**

CULTURE

» Victims of Fortune **44**
Beijing's *hutongs* prepare for surgery

FORUM

» Cutting Ahead for Online Tickets? **46**

EXPAT'S EYE

» Will the Real Shangri-La Please **48**
Stand Up?
Mythical paradise plays hard to get

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A New Crop of Farmers

Collective growth depends on skilled labor



Another Roadblock

Protectionism harms Chinese telecoms

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EDITOR

Time to Mend Fences

Japanese Prime Minister Shinzo Abe's upcoming visit to the United States is bound to come under close scrutiny in China. The postponed trip, the first since Abe took office late last year, takes place at a time when the two neighbors remain entangled in a protracted dispute over the sovereignty of the Diaoyu Islands.

When Abe was sworn in as Japan's new prime minister, there was cautious optimism that he would take a more realistic attitude. But those hopes lay in tatters after Abe unveiled a self-contradictory approach that aroused suspicions from China. While making positive gestures to China through the visits of high-profile politicians, he has clung to an uncompromising stance. Notably, he has cozied up to other nations in the region including those having territorial disputes with China such as Viet Nam and the Philippines in an apparent bid to hem in China.

What complicates matters is that the United States, which helped sow discord out of Cold War mentality, has weighed in with statements that most Chinese observers believe are vague and biased. Then U.S. Secretary of State Hillary Clinton recently expressed opposition to "any unilateral actions that would seek to undermine Japanese administration," implicitly putting the blame on China.

It should be noted that China was not the one that changed the status quo. China has long held the position that the dispute can be shelved when conditions are not ripe to resolve it. The current round of tensions flared up in September 2012 following the Japanese Government's "nationalization" of some of these islands, a unilateral move that forced China, the islands' legitimate owner, to react. China is not the instigator of trouble; rather, its actions aim to cope with provocation from Japan. Encouragingly, anti-Japanese nationalistic sentiments that saw the outbreak of massive protests at the outset are ebbing away, with rational discussions dominating public opinion in China.

The ball is now in Japan's court. The Abe administration is expected to take steps to address China's concerns so that the two countries can engage in substantive consultations. Ahead of Abe's widely watched visit to the United States, it is also hoped that Washington should play a constructive role, refrain from sending wrong signals and prevent the visit from becoming part of Abe's alleged scheme to ally against China. ■

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New Year, New Hope

People in Chengdu, capital of southwest China's Sichuan Province, buy lanterns for Spring Festival decorations at the Hehuachi Market, in preparation for the coming Lunar New Year, which falls on February 10 this year.



Reservoir Leak

Rescue work is underway on a reservoir leak in Xinjiang Uygur Autonomous Region, which occurred on February 2.

Water gushed out of the Lianfeng Reservoir in Kaziwan Village, located about 25 km from Urumqi, the regional capital, and flowed into a nearby village, blocking traffic and flooding homes. One person died and more than a dozen were injured.

The reservoir, designed to hold 300,000 cubic meters of water, was below capacity, holding an estimated 150,000 to 200,000 cubic meters prior to the leak.



ZHAO GE

Press Invited

Journalists from China and abroad have been invited to cover two major annual events on the country's political calendar next month.

The First Session of the 12th National Committee of the Chinese People's Political Consultative Conference (CPPCC), the national advisory body, will open on March 3.

The First Session of the 12th National People's Congress (NPC),

the national legislature, will open on March 5.

The general offices of the NPC Standing Committee and the CPPCC National Committee announced on February 1 that a media center for the two meetings will open on February 26 at the Media Center Hotel.

The websites—www.npc.gov.cn for the NPC session and www.cppcc.people.com.cn for the CPPCC session—will post information related to news coverage for the events.

NBS Shows Its Work

China's National Bureau of Statistics (NBS) has published the methodology it used to calculate the Gini coefficient reflecting the social wealth gap.

A new survey system was set up at the end of 2012 to unify the income index for 400,000 households in both urban and rural areas. Historical income data have been adjusted and recalculated, accord-

ing to an article posted on the NBS website on February 1.

The reformed system has been drafted referring to international norms, wrote Wang Pingping, NBS Resident Survey Office chief.

Internationally comparable, China's recently released Gini coefficient reflects the income trend during the past decade, Wang said.

The 2003-12 Gini coefficients, ranging between 0.491 and 0.473, were released by the NBS on January 18. All the annual figures were much higher than the warning level set by the United Nations.

Relics Census

China's first national survey of moveable cultural relics will cover all possessions of state organs, public service units, state-owned enterprises and organizations on the mainland.

A work team leading the survey adopted an implementation plan on January 31, defining the targets of the survey from October 2012 to December 2016, a move to better gauge and protect national cultural relics.



NOXU



TRAINING TRIP

Chinese People's Liberation Army Navy vessels sail into the West Pacific for the year's first open-sea training exercise on January 31



NEW HOME

People of the Miao ethnic group in Rongjiang County, Guizhou Province, celebrate moving into new homes. More than 100,000 local residents were relocated out of the mountains in 2012



SHANG YONG

The census aims to accumulate information on the status of the country's cultural relics and record their basic information without prejudice to ownership, said Li Xiaojie, head of the State Administration of Cultural Heritage.

After consulting with the State Administration for Religious Affairs, the census will also cover items preserved in the country's religious sites under cultural relics protection, Li said.

Fossils of ancient vertebrates and humans that are of scientific research value will also be surveyed, according to the plan.

However, cultural relics held by individuals and foreign collectors will not be included in the survey, the document said.

The exception was made out of

consideration for private property rights, said Minister of Culture Cai Wu.

Climate Saver

Yingli Green Energy Holding Co. Ltd., a leading solar energy company based in the city of Baoding in north China's Hebei Province, becomes the first Chinese business and also the first photovoltaic (PV) manufacturer to join the World Wildlife Fund's Climate Savers program.

Yingli is the first Chinese company to set a specific renewable electricity consumption target, the fund said.

Yingli has agreed to reduce the intensity of its greenhouse gas emissions per megawatt (mw) of PV module production by 13 percent by the end of 2015 in comparison to 2010 levels.

The company also plans to reduce emissions from purchased goods and services per mw of PV module production by 7 percent and to reduce emissions from upstream transportation by 10 percent by the end of 2015.

Thirty companies have joined Climate Savers since 1999, setting targets for emission reduction and working with other companies, suppliers and partners to implement solutions for a clean, low carbon economy.

Widening Wetlands

Wetland conservation efforts by the government, non-governmental organizations (NGOs) and individuals have paid off in northwest China's Qinghai Province, which now holds the largest share of the country's wetlands.

Wetland growth partly resulted from increasing rainfall and expanding headwaters on the Yangtze River, said Cai Ping, Deputy Director of Qinghai Wildlife and Nature Reserve Administration.

By the end of 2012, Qinghai's wetland area had reached 8.16 million hectares, roughly marking a 50-percent increase from 1997, according to data released by the province's forestry department in late January.

"But human factors are more worthy of note," he added, pointing to the provincial government's

continuous investment and public participation.

Qinghai has thus far established seven wetland nature reserves at the provincial level or above, including Qinghai Lake and Hoh Xil nature reserves. They cover a total area of 21.2 million hectares, or nearly 30 percent of the province's total area.

Over the past five years, Qinghai Lake, Gyaring Lake and Ngoring Lake, three Chinese wetlands of international importance listed under the Ramsar Convention, have received a total of 30.5 million yuan (\$4.9 million) in government subsidies, according to Cai.

Contaminants Caps

China's Ministry of Health has announced new limits on 13 contaminants in 20 categories of food.

The newly amended standards will come into effect on June 1.

They limit the content of contaminants including lead, cadmium, mercury and arsenic that can legally be allowed in food including grains, vegetables, fruit, meat, drinks, alcohol, aquatic products and seasoning.

Previous limits on selenium, aluminum, and fluorine were deleted in the amendment.

The ministry also said that it will streamline 5,000 existing safety standards applying to agricultural produce and food products by the end of 2013.

New Emission Standard

A worker at an auto testing center in Beijing shows a symbol for vehicles up to the Beijing V Emission Standard, which became effective on February 1.

The move is expected to reduce auto pollution by 40 percent to better improve the hazardous air quality in the capital, said the Beijing

Environmental Protection Bureau.

Sale and registration of light gasoline-powered vehicles not conforming to the new standard—the nation's strictest—are forbidden beginning March 1, according to the bureau.

The bureau has approved more than 1,300 models meeting the standard.



GUO YU

Setting Sail

The ultra-large container ship *COSCO KHI III* sets sail on a trial trip on February 2.

The vessel, 366 meters long and 51.2 meters wide, can carry 13,000 containers. It's designed and developed by the Jiangsu-based Nantong COSCO KHI Ship Engineering Co. Ltd., a joint venture between China's COSCO and Japan's Kawasaki Heavy Industries.



XU PEIQIN

Steady Rebound

China's manufacturing sector continued to expand in January, but at a slower pace, which suggests a steady growth trend in the country's economy. Business activity in China's non-manufacturing sector also continued to expand in January, as the Spring Festival drove up retail sales.

Purchasing managers' index (PMI) for China's manufacturing sector fell to 50.4 percent in January from 50.6 percent in December 2012, said the National Bureau of Statistics and the China Federation of Logistics and Purchasing (CFLP)

on February 1.

January marked the fourth consecutive month that the PMI remained above 50 percent, according to the CFLP. A reading above 50 percent indicates expansion, while a reading below 50 percent indicates contraction.

However, the indicator also dropped for the first time since August 2012 when it hit a nine-month low of 49.2 percent.

The slight retreat suggests that China's economy will exhibit steady growth in the near future, said Zhang Liqun, an analyst from the Development Research Center of

the State Council.

Although manufacturers are continuing to expand, lower sub-indices for export orders and overstocked products point only to stable production activity instead of robust growth, Zhang said.

The PMI for the non-manufacturing sector came in at 56.2 percent in January, up 0.1 percentage points from December 2012, said the CFLP. This marked the fourth straight month of rises.

More Tax Reforms

Value-added tax (VAT) reform in some pilot regions will be expanded to more areas as burdens on Chinese business have been reduced, said the Ministry of Finance on February 1.

As of February 1, the reform, replacing the turnover tax with VAT in

transport and some service sectors, has reduced taxes by over 40 billion yuan (\$6.4 billion) for more than 1 million taxpayers in 12 pilot regions, said the ministry.

It added that the reform had reduced burdens on lower taxpayers by an average of 40 percent.

Turnover tax refers to a levy on the gross revenue of a business. VAT refers to a tax levied on the difference between a commodity's price before taxes and its cost of production.

China introduced the reform in Shanghai last year to avoid double taxation. The program was later expanded to another 11 regions, including Beijing, Tianjin and Shenzhen.

Deficit Widens

China's capital and financial account remained at a deficit in the fourth quarter of 2012, dragged down by lackluster foreign investment amid a faltering global economic recovery.

The capital and financial account shrank to \$31.8 billion from \$51.7 billion in the third quarter, said the State Administration of Foreign Exchange.



WANG JIANZHONG



LANTERN FAIR

Tourists in Suzhou, east China's Jiangsu Province, enjoy two 14-meter-high dragon lanterns from Taiwan



ROBOT CONTEST

Children test their machines on February 2 for the 13th Beijing Teenager Robot Competition

Meanwhile, the country's current account surplus slid to \$65.8 billion in the October-December period, down from \$70.8 billion in the previous quarter.

In 2012, China saw a \$117.3-billion deficit in the capital and financial account and a \$213.8-billion surplus in the current account.

Nuclear Power Reactor

China's first nuclear power reactor using U.S.-based Westinghouse Electric AP 1000 technology is expected to begin operations in October 2014.

Gu Jun, General Manager of the State Nuclear Power Technology Corp., said the reactor is proceeding well.

Construction of the No. 1 reactor of the Sanmen Nuclear Power Plant in east China's Zhejiang Province has been underway since 2009.

The company had previously planned to bring the reactor online in 2013, but construction slowed



ZHANG JU

after the devastating tsunami that crippled a nuclear power plant in Japan in March 2011.

Slowing down construction allowed time for design adjustments and stricter requirements, according to the State Nuclear Power Technology Corp.

Consumer Confidence Up

Consumer confidence in China increased in the fourth quarter of 2012, said market research firm Nielsen.

Confidence increased to 108 points in the last quarter of 2012, two points more than the third quarter and the same level as the end of 2011.

"Above 100 points represents

an optimistic attitude and below 100 shows pessimism," said Yan Xuan, President of Nielsen in China.

The survey found that 70 percent of consumers expect prices to increase in the next 12 months. Only 5 percent expect a decrease.

According to the survey, in the fourth quarter, rural consumers were the most optimistic, while people living in large cities were less confident about consumption.

Compared to the last quarter, consumers' attitudes toward consumption in the next six months is at the same level. They also have higher expectations for employment and personal economic status.

Nielsen surveyed 3,500 consumers from both urban and rural areas in China, the largest of its kind.

Numbers

10.6 mln

Number of privately owned companies registered in China as of September 2012

240 mln

Number of vehicles in China at the end of 2012

10.86 tln yuan

Total output of China's petrochemical industry in 2012, rising 12.9 percent

\$21.73 bln

Value of China's cultural exports in 2012, up 16.3 percent

Local Goes Global

A worker sows hats worn by Muslims in a workshop at Yijia Buhala Group in Qinghai Province.

During the past five years, the province has invested more than 1 million yuan (\$160,600) to promote local brands that have Qinghai characteristics.



WU GANG

THIS WEEK WORLD



RUSSIA

A man carries flowers as he walks past gravestones of the Red Army soldiers who died in the Battle of Stalingrad during World War II at a military cemetery near Volgograd, formerly Stalingrad, on February 1, the day before the 70th anniversary of the Soviet Union's victory in the battle

XINHUA/APP



YONEX



MEXICO

A rescuer stands inside the building of state-owned Mexican oil giant Pemex in Mexico City following a blast on February 1. The explosion rocked the skyscraper, leaving more than 30 dead



MALI

Men recover burnt ancient manuscripts at the Ahmed Baba Center for Documentation and Research in Timbuktu on January 29. Fleeing militants torched the building that housed priceless ancient manuscripts one day earlier

XINHUA/APP





SOUTH KOREA

The Naro-1 carrier rocket takes off from its launch pad at the Naro Space Center in Goheung on January 30. It successfully put a satellite into orbit after two failed attempts



LAOS

People participate in a mini-marathon to celebrate Laos' ascension to the World Trade Organization as its 158th member in Vientiane on February 2



FRANCE

Members of the Eurocorps military contingent take part in a ceremony in Strasbourg on January 31 marking the end of their intervention in Afghanistan

“Smog harms people’s health, especially the respiratory system. In the past 10 years, Beijing’s lung cancer rate increased 60 percent, for which air pollution was an important reason.”

Zhong Nanshan, academican of the Chinese Academy of Engineering, speaking to China Central Television on January 30



“Downtown Sanya is designed for 300,000 to 400,000 residents, but during the peak tourist season more than 1 million people will flood into the city.”

Wang Yong, Mayor of Sanya, south China’s Hainan Province, speaking on the sidelines of the provincial legislative body’s annual session on January 28. Sanya may be the country’s most popular resort during the coming Spring Festival, but the city’s infrastructure is not yet ready for booming tourism.



“Our research found that many rich Chinese people assumed philanthropy was a simple task and few have a clear strategy of charitable giving or making sustainable efforts to help solve social problems such as aging. It resulted in overlapping donations in a few fields, including education.”

Deng Guosheng, Director of the NGO Research Center at Tsinghua University, speaking to *China Daily* on February 1. China’s wealthy showed an increasing enthusiasm in making big donations to the nonprofit sector including universities in 2012, according to a report



“I don’t know what would get lost in cultural translations. I think that inevitably, if you’re adapting something from one culture and setting it to another, you’re going to lose some subtleties and references.”

James Poniewozik, TV critic for *Time* magazine, responding to the news that the Chinese TV drama *The Legend of Zhenhuan*, or *Empresses in the Palace* is to be shown on American channels, on February 1



VILLAGE OFFICIAL



Qin Yuefei, a Yale University graduate who has worked as an official in a village of central China’s Hunan Province since 2011, recently gained public attention. Since assuming his post, Qin has raised 800,000 yuan (\$128,640) from various philanthropic organizations and companies toward public facilities such as a new nursing home and road lamps.

Born in 1985, Qin went to Yale on a full scholarship in 2005. The Ivy League graduate said that being a village official enabled him to reach a better understanding of the rural environment.

“The life and work in rural areas have broadened my vision, which helps me deal with various difficulties. I feel every day is new and I think my choice is meaningful.”



COMEDY KING



Zhao Benshan, a famous Chinese skit star, announced on January 30 that he would quit skit performing and focus more on film and TV drama production. He said he wanted to give other actors more opportunity.

Zhao was born in northeast China’s Liaoning Province in 1957. He gained fame for performing a skit in the 1990 Spring Festival gala of China Central Television. He has been honored as Comedy King and Oriental Chaplin by Chinese audiences.

He uses northeastern dialect when performing, rejuvenating a local art form *Errenzhuan*. He currently is president of a media group and has tens of students.

Buying Property Abroad

Oriental Outlook January 31

In recent years, more and more Chinese are buying real estate in foreign countries. From 2011 to 2012 the proportion of Chinese property buyers in Vancouver increased from 29 to 40 percent of the total buyers. About 30 percent of the city's residents are from China. In one of London's two main financial centers, Canary Wharf, one third of new properties are sold to the Chinese. Because of surging sales, the housing price in the center of the city and its traditional high-end living districts has risen from 5 to 10 percent.

Before 2011, those who bought real estate abroad intended their children to study overseas. However, since 2012, most

Chinese buy properties in foreign countries mainly due to the high reward. In Canada, the housing price in Vancouver has tripled and even quadrupled in the past 10 years while that in Toronto has increased 7 percent per year in the past six. In Australia, the housing price has doubled every seven years.

As foreign real estate agents try their best to attract the Chinese, more and more residents in those countries are frightened by such buyers. Since 2012, Chinese real estate investors have made



the cover of many foreign media services. According to a recent news report, 150 apartments in Westminster, Canada, sold out only two and a half hours from entering the market, with 40 percent of purchasers being Chinese.

In fact, purchasing property abroad does not always mean high profit. For example, buying property in Germany does not only involve paying the house price, but also expenses such as transaction taxes, which account for more than 20 percent of the overall property cost.

Mask for Traffic Police Officers

Qilu Evening News January 31

Many netizens are calling on authorities to allow traffic police officers to wear face masks in smoggy weather as a protection against serious air pollution. The Public Security Bureau of Jinan, capital of east China's Shandong Province, announced on January 30 that it will allow traffic officers to wear masks in bad smog when on duty.

As smoggy weather frequents Chinese cities, allowing traffic police officers on duty outdoors to wear masks represents a putting-people-first approach. Compared with indoor workers, traffic officers suffer more from bad weather conditions.

As with traffic police officers, sanitation workers and delivery staff also have to work long hours outdoors. Many netizens are alerting these workers to the dangers of being exposed to smog and calling on them to wear masks.

In addition, the meteorological department should publish up-to-date weather data and the sanitary department should give guidance on when to wear masks. Laws and regulations protecting outdoor workers should also be set up.

Discussion on Caning

Beijing Youth Daily January 31

Chen Weicai, a senior police officer in Guangzhou, south China's Guangdong Province, and a deputy to the National People's Congress, proposed introducing

Singapore's caning to China during the annual session of the Guangdong Provincial People's Congress on January 30.

Chen's proposal has triggered hot debate. Most people opposed his proposal, saying that introducing caning is retrogressive and barbaric, violating human rights. However, a small number supported his advice, arguing caning should be used on

corrupt officials.

Applying caning to such officials reflects the public's loud outcry against corruption, however, it is irrational. Punishment is not the purpose of the rule of law, but protecting human rights and dignity is. And to achieve this purpose, instead of harsher punishment, a sound system of law should be the answer.

Furthering Anti-Corruption Efforts

Caijing Magazine January 28

In the past 30 years, more high-level officials in China were involved in corruption cases.

Yi Junqing, Director of the Central Compilation and Translation Bureau, was expelled from his post on January 17 for having an extra-marital affair with a female student, who posted a long article disclosing their affair online, which was wildly forwarded afterward.

The case has again shown that the public forms the major anti-corruption force. Cases exposed online can be widely spread and gain intense public attention. However, the government needs to consider why people turn to the Internet to expose corruption rather than directly addressing the state.

In addition, anti-corruption netizens should unite under organizations, such as the workers' union, to be more powerful.

Recently, officials who own multiple properties well beyond their financial means have ignited a hot discussion on whether an official asset declaration and publication system should be established and enforced as soon as possible. On December 18 last year, the state said it was considering drafting regulations on the issue, but it was unclear when such laws would come into being.

To fight corruption, different agencies should better coordinate and an anti-corruption law be brought into play.



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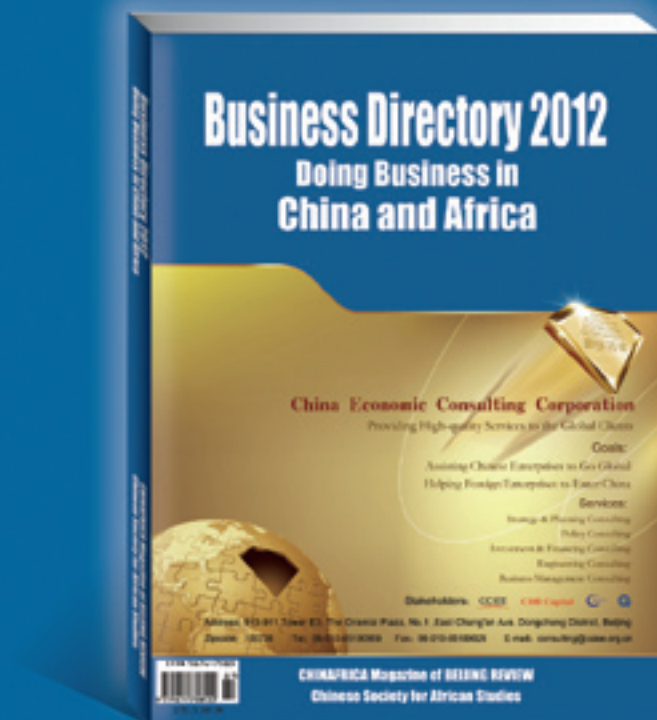
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A TRIPLE THREAT

The United States should broaden its approach to the Diaoyu Islands dispute **By An Gang**

Japanese Prime Minister Shinzo Abe is set to kick off his first visit to the United States in mid-February since regaining the position. The world will undoubtedly keep a close eye on his visit with a focus on the dispute over the Diaoyu Islands between China and Japan and the ongoing historic change in East Asia's strategic landscape. Washington's statement and attitude during Abe's coming visit will therefore create an inevitable and non-negligible influence on the future development of the islands dispute.

Then U.S. Secretary of State Hillary Clinton made a statement on the Diaoyu Islands following her meeting with Japanese Foreign Minister Fumio Kishida on January 18. "Although the United States does not take a position on the ultimate sovereignty of the islands, we acknowledge they are under the administration of Japan and we oppose any unilateral actions that would seek to undermine Japanese administration and we urge all parties to take steps to prevent incidents and manage disagreements through peaceful means," she said.

Japan interpreted Clinton's statement as having Washington's support. And the public opinion of the world also considered the statement to be the toughest message that the United States released to China. The words marked Clinton's last endeavor aimed at pushing forward Washington's strategy of rebalancing to Asia before leaving office.

Because of Clinton's statement, Chinese people are more convinced that Washington's position on the dispute between China and Japan is biased and it will continue to use Japan to contain China. "The comments by the U.S. side are ignorant of facts and indiscriminate of right and wrong," said Qin Gang, Chinese Foreign Ministry spokesman. But there is reason to believe Clinton must have exerted pressure and made specific demands on Japan before making that statement.

The United States does have a major interest in maintaining peace and stability in East

Asia. China doesn't think Washington intends to disturb the East Asian situation. Actually, Washington faces a strategic dilemma when dealing with the issue. On the one hand, it cannot ignore Japan's status as its "strategic cornerstone," because it needs to use Japan to balance and hedge against China to realize its "Pacific Century." On the other hand, it must squarely face China's emergence and admit that its relationship with China is at the core of its Asia-Pacific strategy.

Double-faced tactic

Abe started "envoy diplomacy" to China in mid-January. The most eye-catching one was his ruling partner's China visit. Natsuo Yamaguchi, head of the New Komeito Party, arrived in Beijing with a signed letter that Abe wrote to Xi Jinping, General Secretary of the Communist Party of China (CPC) Central Committee. At their meeting on January 25, Xi urged the Japanese side to respect the historic reality and make joint efforts with China to seek effective methods for appropriately controlling and resolving problems through dialogue and consultation.

"Under the new circumstances, we should shoulder national and historical responsibilities as well as display political wisdom, just like the elder generations of leaders of the two countries, to overcome difficulties and advance

China-Japan relations," said the Chinese leader.

It was also reported that Yamaguchi inquired about the possibility of a future summit between Chinese and Japanese leaders. Xi said he would seriously consider a high-level dialogue, but also stressed the meeting should be held under proper circumstances.

Although there is a small chance for amelioration between China and Japan, the Chinese side is still doubtful of Japan's sincerity. China cares about whether Japan can face the historical roots of the upgraded tensions over the Diaoyu Islands and whether it admits the sovereignty of the islands is in dispute.

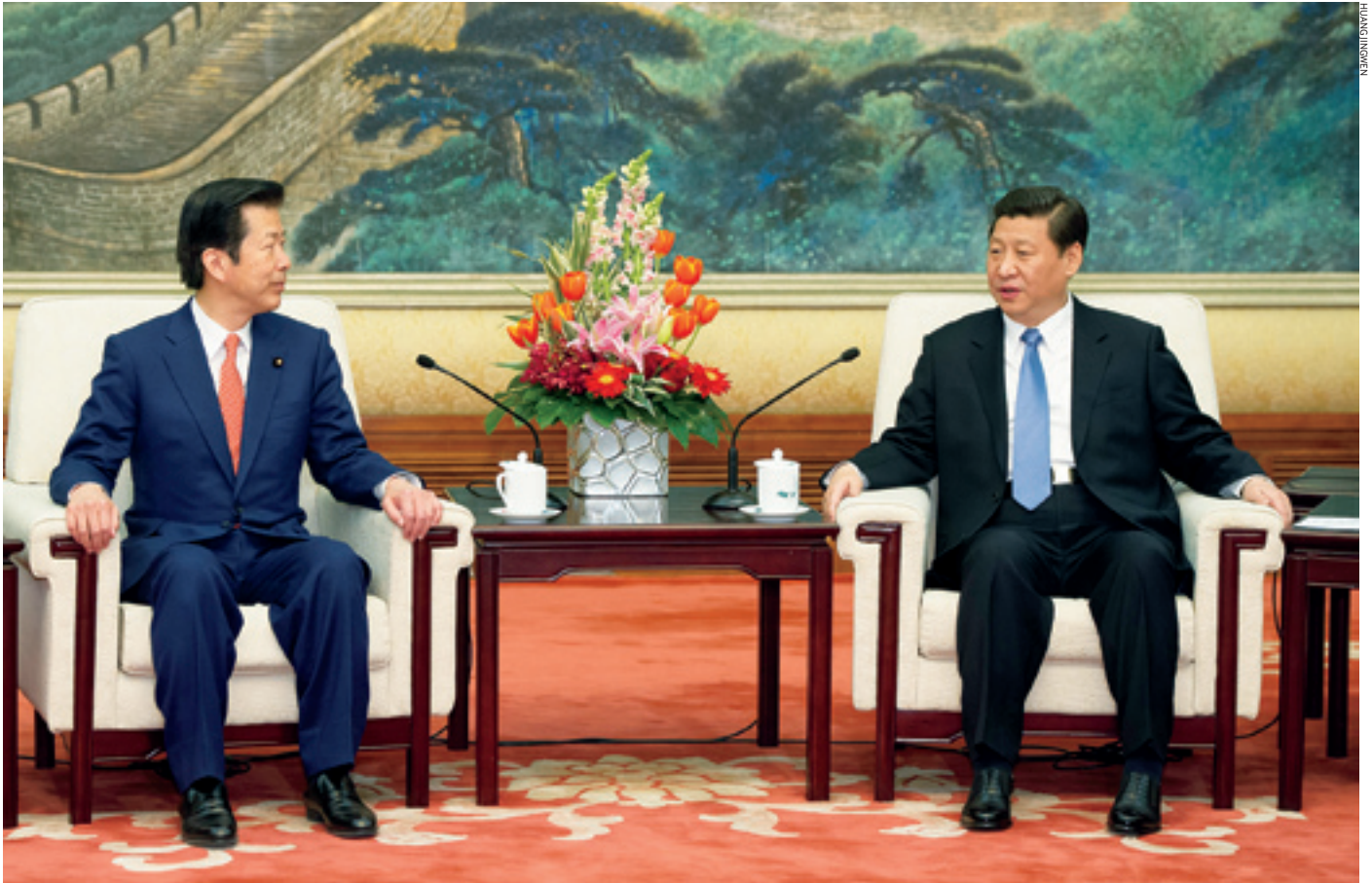
The overwhelming opinion of the Chinese press is that Japan is playing a double-faced tactic, with its "envoy diplomacy" to China only a show for U.S. and Japanese audiences. All facts prove that Abe has been sticking to such a roadmap since the beginning of this year. He welcomed U.S. Assistant Secretary of State Kurt Campbell's Japanese visit for policy coordination, dispatched his foreign minister to Washington to get Clinton's favoritism and then conducted "envoy diplomacy" to China to finish the amelioration show with words instead of acts. In this way, Abe will be able to report to the U.S. side that he has fulfilled his duty and gain political capital from President Barack Obama.

China, for its part, responded to Japan's "envoy diplomacy" with decency. It reiterated that it will stand firmly on the stance of safeguarding territorial integrity, and adhere to the principle of solving territorial disputes through dialogue and consultation. It hopes the Japanese side will make practical moves and work with China to find ways to manage current tensions.

Memo for Obama

The Diaoyu Islands issue not only tests the China-Japan relationship, but also tests China-U.S. relations. The White House working team should make a memo for Obama on the Diaoyu Islands before Abe's arrival, in which several key points should be included:

As Japan, an ally of the United States, provokes regional clashes to satisfy domestic political needs, it damages U.S. interests



WATER TESTING: Xi Jinping, General Secretary of the CPC Central Committee, meets with Natsuo Yamaguchi, head of Japan's co-ruling New Komeito Party, in Beijing on January 25

The Chinese side's stance on the sovereignty of the Diaoyu Islands, one of China's "core interests," is unchallengeable and unshakable.

The dispute over the Diaoyu Islands is rooted in history, and is one of the leftover problems of World War II. In accordance with the Cairo Declaration, the Potsdam Proclamation and the Japanese Instrument of Surrender, the Diaoyu Islands, which are Taiwan's affiliated islands, should be returned to China together with Taiwan after World War II ended. In 1971, Japan and the United States signed an agreement on the Ryukyu Islands and the Daito Islands, in which the United States handed over the administration of the Diaoyu Islands and the Ryukyu Islands, now Okinawa, to Japan. The Chinese condemned the agreement and challenged its legality.

Japan's unilateral change of the status quo directly led to the escalation of the situation. In September 2012, the Japanese Government "purchased" some of the Diaoyu Islands, con-

ducted "nationalization" of the islands, and attempted to change so-called "administrative jurisdiction" into sovereignty.

If the dispute over the Diaoyu Islands deteriorated into a military conflict, it would not possibly be a low-intensity one that could be controlled in the region. It would certainly upset the agenda of the Asia-Pacific region and cause a disastrous effect that would be hard to clean up. Such a consequence would meet nobody's interests. The solution lies in pushing Japan to take practical actions to end the farce of "nationalizing" the Diaoyu Islands.

Japan's stance on the Diaoyu Islands reflects the country's obvious right-leaning tendency. Such a tendency has not only contributed to the escalation of the islands dispute, but also given rise to complicated strategic conflicts involving different countries in East Asia. As Japan, an ally of the United States, provokes regional clashes to satisfy domestic political needs, it damages U.S. interests.

The China-Japan relationship is so important that its development and stability are relevant to the future of the whole East Asia. If Japan cannot take history as a mirror, it will not have a bright future.

The Diaoyu Islands issue ultimately is a conflict between China and Japan. Turning the conflict into one that involves China and the United States doesn't meet the strategic interests of either side, and will badly hurt the long-term development of the China-U.S. relationship. Therefore, the two sides must strengthen communication to avoid such a lose-lose consequence. ■

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COVER STORY

ON THE BORDERLINE

The China-Japan dispute over the Diaoyu Islands is a global concern

By Kerry Brown



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It is said that “good fences make good neighbors.” One of the longstanding political traits of human behavior is to create territorial certainty, especially since the decline of nomadic societies.

However, disputes over territories are still the main cause of serious conflicts, some of which lead to violence between communities and countries. We may be living in a world where trade, capital and migration flows are unrestrained by such boundaries. Our environmental and energy problems, as one recent book stated, don’t carry passports. Nevertheless, border disputes can be the trickiest for parties to resolve.

Legal and historical claims

Arguments over territories between countries stretch across the world. Conflicts persist over the post-imperialist world order as between the UK and Argentina over the Falkland Islands (referred to as the Malvinas Islands by Argentina), while countries like Pakistan and India have profound disagreements over the Jammu and Kashmir area.

The People’s Republic of China, since its establishment in 1949, has inherited a number of historical issues over its land and sea borders. A scholar of the country’s diplomatic development from this period, M. Taylor Fravel, wrote in a 2009 book titled *Strong Borders, Secure Nation* that China managed to resolve all but two of the land disputes over the ensuing six decades—currently only those with India are outstanding. Its maritime disputes, however, have proved far more complex to deal with.

For outside observers, the issue over the Diaoyu Islands in the South China Sea, which has been simmering over the last two years, seems hard to understand. The islands themselves are uninhabited and remote. Despite this, they have been at the center of intensifying anger between the world’s second and third largest economies to such an extent that bilateral trade between the two actually fell as the mutual anger grew hotter last year. This seems extraordinary. Onlookers are either bemused that they cause so much fuss or offer easy but impractical advice about how to resolve it.

The islands and the maritime disputes in general are tough to fully understand because they involve two largely different specialist fields of knowledge. On the one hand, there is the issue of international law. If there is a dispute, usually one tries to negotiate, and if that fails, then seeks adjudication through a neutral party according to law. But with international law, there is the problem of it being an evolving area with few precedents, as well as a large number

of issues not fully decided between supporting parties. On the other hand, there are the historical claims. These relate back to the ownership of territories, sometimes many decades or centuries ago.

The Diaoyu Islands dispute draws in both of these areas—legal and historical claims. Most outside observers have little real understanding of either. All they would be able to do is listen to the arguments by each contesting side and hope to be convinced they can find a course for future compromise or resolution. So far, it seems Japan and China are arguing in different ways and using a different framework toward each other. That looks set to lead to deadlock.

Pride and dignity

These particular disputes also draw in a series of other issues. The first is the issue of China-Japan relations during the early part of the 20th century, which led to one of the bloodiest and most violent wars in human history and which still casts an immense shadow across Northeast Asia. The Diaoyu Islands would be hard enough to discuss without this history. But with the immense memory stains the Sino-Japanese war has left, it only intensifies the sentiments of anger and frustration with China, all of which can be easily inflamed by a maritime border dispute. It may be history, but it is still very much in people’s minds.

The second issue is the role of nationalism in foreign relations. These apply

What the United States, the EU and pretty much everyone else in the region wouldn’t want is for major economies with enormous amounts of investment and economic integration like that of Japan and China to be in conflict with each other

BITTER MEMORIES: Former Japanese Prime Minister Yukio Hatoyama mourns Chinese victims on January 17 during a visit to China at the Memorial Hall of the Victims in the Nanjing Massacre, in which Japanese forces killed an estimated 300,000 Chinese people following their December 1937 takeover of Nanjing, then capital of China



to all countries. In *A Cultural Theory of International Relations* by Richard Ned Lebow, he argues elegantly that countries throughout history have been more motivated by issues of national dignity, pride and honor than by rational calculations of self-interest. Wars and conflicts have often been waged at enormous cost throughout history not because of any logical plan about how they assist in achieving specific objectives but because of offended national sentiments or issues of pride. Disputes over borders, whether at sea or on land, strike at this sense of pride and legitimacy, and thus create strong responses.

And the third is the role of emotions generally in human behavior and action. The Japanese and Chinese public responses over the last few months to the dispute, with anger, demonstrations and proclamations online, have been strong and persistent. To outsiders, they show a highly emotional and sometimes nationalistic dimension to public opinion in both countries. As Dominique Moisi wrote in *The Geopolitics of Emotion*, "One cannot fully understand the world in which we live without trying to integrate and understand its emotions." The

dispute between China and Japan makes no sense unless one looks at the emotional dimension to foreign policy.

Rational solution

But like it or not, we must be rational actors. And a rational actor would look at the advice given by late Chinese leader Deng Xiaoping in the 1980s about leaving decisions that are too tough to make now for the next generation, or the one after that. By then, what is impossible today might have a solution. They would look at the suggested compromises that urge resource-exploitation agreements as at least one way of coming up with a pragmatic framework to balance everyone's interests now without having to sort out everything at once.

What the United States, the EU and pretty much everyone else in the region wouldn't want is for major economies with enormous amounts of investment and economic integration like that of Japan and China to be in conflict with each other. This is especially the case in view of the fragility of the global economy elsewhere in the world. China's stable growth is becoming one of the great engines for GDP elsewhere on the planet. If this is slowed down, then it will go

from being a regional problem to a global one.

General Secretary of the Central Committee of the Communist Party of China Xi Jinping has stated that China won't compromise on its core values diplomatically in a speech from Beijing in late January. Over the last few years, the Chinese Government has spoken more of its "core interests," spelling some of these out. There is wide understanding that sovereignty is of vital importance to the government, and that it sees part of its function to make China strong enough that it is listened to on these issues.

With its new government in Tokyo too, the Japanese must understand that there needs to be pragmatism and a lessening of the highly charged emotional language that has grown in the last few weeks. Getting to a framework where the hard issues aren't solved but at least are not buried and can be dealt with another day when tempers have calmed down might not be an exciting objective to aim for, but for a region that has seen too much of its share of instability and strife in the last century, this at the moment looks like the best place to be. ■

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