WORLD: AFRICA'S CHINESE DREAM **P.16** | BUSINESS: A NEW INVESTMENT OPTION **P.30**

VOL.56 NO.33 AUGUST 15, 2013

WWW.BJREVIEW.COM

55

NEW MAN FOR IRAN

A look at President Hassan Rouhani's plan for nation in deep



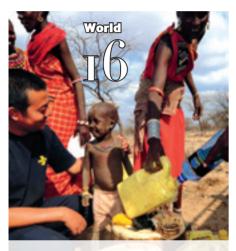


12 issues a year at a subscription rate of 180 RMB SUBSCRIPTION

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



The Rouhani Era Iran's new president and his tasks



Africa on China's Dream A message from Nigeria's former president

Cover Photo: Iran's new President Hassan Rouhani arrives for his swearing in ceremony at the parliament, on August 4, 2013 in Tehran (CFP)

THE DESK
» A Reformer's Victory 02
THIS WEEK
COVER STORY
WORLD
» Curbing Corruption in Russia 18 It goes back to the core
NATION
» Far Out, Way In 24
Xinjiang's students go east
» A Cry for Help 26 The hardships are plenty for unwed
mothers
BUSINESS
» Money in the Cyber Bank 30
A new investment choice for the people
» Stranded Overseas 34 For Sany, the battles go on and on
» That Extra Kick 36
Supporting small business
» Market Watch 38
CULTURE
» Resetting the Soul 42 Urbanites seek inner peace through
Buddhism
» Struggling Curators 44 Private museums don't have it easy
FORUM
» Too Many Talent Shows on TV? 46 EXPAT'S EYE
» Family First 48 Work takes the back seat
©2013 Beijing Review, all rights reserved.



Sex vs. Power Sexual corruption, how to handle it



Trimming the Excess Tackling overcapacity in China's industries

ONLINE AT » WWW.BJREVIEW.COM



BREAKING NEWS » SCAN ME » Using a QR code reader

Beijing Review (ISSN 1000-9140) is published weekly for US\$64.00 per year by Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Periodical 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, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing Review, Cypress Books, 360 Swift Avenue, Suite 48, South San Francisco, CA 94080, Postmaster Control address changes to Beijing R

CONTENTS

THE DESK

M & A A BEIJING REVIEW

A News Weekly Magazine Published Since 1958

President & Editor in Chief: Wang Gangyi Vice President: Qi Wengong Associate Editors in Chief: Li Jianguo, Huang Wei, Wang Yanjuan, Zhou Jianxiong, Ding Zhitao Assistant President: Li Zhenzhou Assistant Editor in Chief: Wa Chunfang Executive Editor: Ding Zhitao

Assistant Executive Editors: Yao Bin, Zhang Zhiping, Zan Jifang Editorial Administrators: Zhang Xiaoli, Shi Bosen Opinion Editor: Zan Jifang World Editor: Yan We Nation Editor: Yao Bin Business Editors: Yu Shujun, Lan Xinzhen Culture Editor: Liu Yunvun Editorial Consultants: Joseph Halvorson, Evan Z. Hall, Elvis Anber, Jacques Smit Staff Reporters: Tang Yuankai, Ding Ying, Ding Wenlei, Wang Jun, Li Li, Yin Pumin, Pan Xiaogiao, Yuan Yuan, Wang Hairong, Liu Xinlian, Yu Yan. Yu Lintao, Zhou Xiaoyan, Bai Shi, Deng Yaging, 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 Deputy Chief: Xu Tao Tel/Fax: 1-201-792-0334 E-mail: hw(@bjreview.com

Africa Bureau Chief: Li Jianguo Africa Managing Editor: Francisco Little Tel: 27-71-6132053 E-mail: casa201208/dhotmail.com

General Editorial Office

Tel: 86-10-68996252 Fax: 86-10-68326628 English Edition Tel: 86-10-68996259 Advertising Department Tel: 86-10-68995813 E-mail: ad(abjreview.com.cn Distribution Department Tel: 86-10-68310644 E-mail: circulation(abjreview.com.cn

Published every Thursday by BEIJING REVIEW, 24 Baiwanzhuang Lu, Beijing 100037, China. Overseas Distributor: China International Book Trading Corporation (Guoji Shudian), P. O. BOX 399, Beijing 100044, China Tei: 86-10-684113849, 1-416-497-8096 (Canada) Fax: 86-10-684112166 E-mail: fp(qmail.cibtc.com.cn Website: http://www.cibtc.com General Distributor for Hong Kong, Macao and Taiwan: Peace Book Co. Ltd. 17/Fl, Paramount Bidg, 12 Ka Yip St, Chai Wan, HK Tei: 852-28046687 Fax: 852-28046409

Beijing Review (ISSN 1000-9140 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

) EDITOR

A Reformer's Victory

Holding high the banner of economic prosperity, pragmatic politics and dynamic culture as three pillars in managing the country, Hassan Rouhani emerged victorious in Iran's most recent presidential election as a large turnout of voters expressed belief in his vision for changing the future of the Islamic republic.

In his inaugural speech to parliament, Rouhani vowed to deal earnestly with the country's social and economic problems and to launch "constructive interactions" with the world to mend Iran's global image and to seek a solution to its controversial nuclear program.

Rouhani is elected at a time when the Iranian people are fed up with soaring inflation, declining living standards and a double-digit unemployment rate, as the country's economy was hard-hit by Western sanctions. He needs to work out a series of measures to live up to his promises to save Iran's economy.

On the campaign trail, Rouhani signaled a willingness for more engagement with the world. He is expected to ease tensions between his country and the West. In the meantime, Western countries may also seize the opportunity to readjust and fine-tune their ties with Iran during the country's change in leadership.

Once a chief negotiator over the country's nuclear issue with the West between 2003 and 2005, Rouhani insisted that Iran maintain its peaceful nuclear program, but not at the expense of worsening ties with the West or of the Iranian people. Now he can play a bigger role in the country's nuclear talks with the five permanent members of the UN Security Council and Germany. In addition, as he promised, he would try to return Iran's nuclear issue from the UN Security Council to the International Atomic Energy Agency.

As for relations with China, Iran's policy is expected to remain stable under the new leadership. China supports the peaceful settlement of Iran's nuclear issue through dialogue and negotiations and is willing to continue to develop friendly and cooperative ties with Iran.

WRITETOUS

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

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

 CHINA.....RMB6.00
 U.S.A.....USD1.70
 AUSTRALIA.....AUD3.00
 UK.....GBP1.20

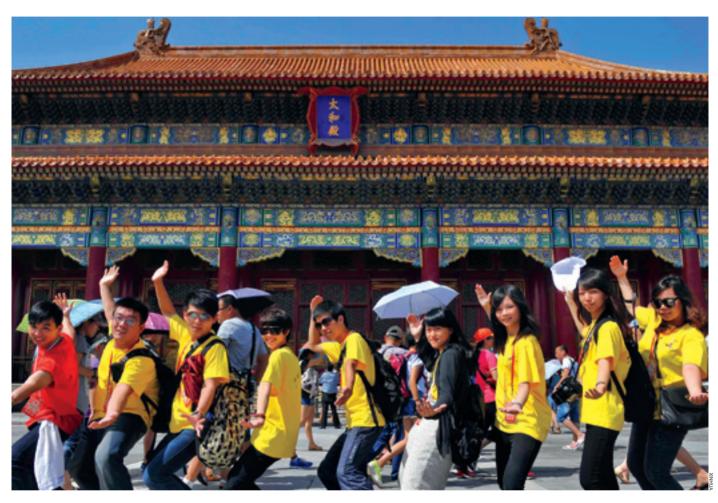
 CANADA.....CAD2.60
 SWITZERLAND.....CHF2.60
 JAPAN.....JPY188
 EUROPE......EURO1.90

 TURKEY.....YTL5.00
 HK......HKD9.30
 NEPAL.....RS40

北京周报 英文版 2013年 第33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



Available at the App Store



SEEKING THEIR ROOTS

Taiwanese youth pose for picture in front of the Taihe Hall at the Forbidden City in Beijing on August 3. On that day, the 2013 Root-Seeking Tour opened in the capital. A total of 4,000 Chinese born in foreign countries as well as regions of Hong Kong, Macao and Taiwan took part in a five-day event by visiting ancestral hometowns and learning more about Chinese history and culture.

THIS WEEK SOCIETY

Bon Voyage

Naval crews aboard the Chinese Navy training vessel *Zheng He* are welcomed at the Chinhae Port in the Republic of Korea (ROK) on August 4 for a fourday goodwill visit to the country.

It is the second time for the vessel to visit the ROK. The first time was in 2009 during the vessel's 158-day global goodwill voyage.



Nuclear Transparency

China's largest nuclear power company announced it would hold annual open house events every August 7 to make its operations more transparent.

The China General Nuclear Power Group (CGN), operator of the Daya Bay Nuclear Power Plant in Shenzhen in south China's Guangdong Province, said on August 7 the move will help boost public trust in the safety of nuclear power.

The 2011 leakage of radioactive material from the Fukushima nuclear power plant in Japan has raised concerns about nuclear safety in China.

A planned CGN nuclear fuel processing project in Guangdong's city of Heshan was cancelled in July due to opposition from local residents.

CGN supplies 53 percent of

China's nuclear power. It is the largest builder of nuclear power plants in the world and its Daya Plant is currently China's largest.

Free HIV Therapy

Authorities have set up a pilot program in 12 counties and cities in nine provinces to provide free onestop antiretroviral therapy for HIV/ AIDS patients, the Chinese Center for Disease Control and Prevention confirmed on August 2.

Patients in areas where the trial is being conducted will receive rapid access to antiretroviral therapy if they are diagnosed with HIV, the center said.

According to the center's AIDS



An artist paints *Thangka* at the Third Thangka Art Exhibition in Lhasa on August 3. More than 230 paintings of the Tibetan Buddhist silk canvas tradition were shown at the exhibition Treatment and Care Division, HIV/ AIDS patients used to spend two months traveling between local disease control centers and hospitals to receive the therapy.

According to statistics from the center's nationwide surveillance network, China has more than 390,000 registered HIV/AIDS patients.

Misinformation Control

Five portals and Sina Weibo, a Twitter-like microblogging service, jointly launched a website on August 1 to refute online misinformation. The portals include Qianlong, Sogou, Sohu, Netease and Baidu.

The website collects statements from microblogs, news portals and China's biggest search engine, Baidu, to refute false rumors and expose phishing websites.

The site operates under the instruction of the Beijing Internet Information Office and the Beijing Internet Association, a non-profit social organization.

The first phase of the new website has been completed. Operators of the platform will spend another year finishing the second



THIS WEEK



A German student demonstrates her chemistry project during the 28th China Adolescent Science and Technology Innovation Contest in Nanjing, Jiangsu Province, on August 3

phase. Once complete, entertaining and interactive programs will be introduced to encourage the public to report online false rumors.

Family Planning Shift

The National Health and Family Planning Commission denied a timetable had been determined to relax the country's family planning policy by 2015 to allow more couples to have two children, *China Daily* reported on August 7.

The commission, however, did confirm media reports that an update is on its way. In the new plan, couples will be allowed to have a second child if at least one parent has no siblings.

Currently, the policy permits couples to have two children if both parents are the only children. It is one of several exceptions to the rule in which most couples have been restricted to just one child since the late 1970s.



In most rural areas, families can apply to have a second child if their first-born is a daughter.

The commission also announced that there will be favorable measures for families that adhere to the current policy in respect to elderly care and medical care services.

Ethnic Villages

The Chinese Government on August 4 initiated a program to locate and preserve the most distinct ethnic villages across the country.

The State Ethnic Affairs Commission plans to visit 100 villages that have the most distinct ethnic characters all over the country.

"By going on this tour, we want to raise the social awareness of protecting ethnic cultures and intangible cultural heritage," said Shi Xiaoliang, secretary general of the program's organization committee.

In recent decades, the number of China's villages has dropped from 3.6 million to 2.7 million, meaning 200 villages disappear from the country every day.

Biowarfare Evidence

Chinese experts recently uncovered more than 40 items in southwest China's Yunnan Province that offer fresh evidence of Japanese germ warfare activities during World War II.

The findings came from field research in May that focused on 15 sites affected by germ warfare during World War II in Yunnan, said Yang Yanjun, a researcher with the Harbin Academy of Social Sciences in northeast China's Heilongjiang Province who studies Unit 731, the Japanese troops' biological warfare unit.

The items included protective clothing, rat cages and syringes, Yang said.

The results of the research confirmed that Japanese military forces launched biological attacks in Yunnan when they invaded the region in May 1942.

Legal Training

China will train 300 lawyers to proficiency in foreign-related business within the next four years, under a program launched by the All-China Lawyers Association (ACLA) on August 5. Initiated by the Ministry of Justice and the ACLA, the scheme has gained the government's financial support and will focus on training 120 lawyers in three area foreign investment, cross-border mergers and acquisitions, and international financial and securities businesses—so they can help more Chinese companies go abroad.

It will also train 150 lawyers in international trade, copyright protection and businesses concerning the World Trade Organization, as well as 30 lawyers in businesses concerning resources, maritime and space rights.

Three Million Jobless

More than 3 million graduates in China are struggling to find jobs this year, according to a report on China's social security, released on August 4.

With nearly 7 million graduates this year, and adding on the unemployed students from previous years, the number of graduates struggling to find jobs before leaving school is estimated to have reached over 3 million, said Wang Yujun, an official with the Ministry of Human Resources and Social Security, at a press conference for the 2012 China Social Security Reform and Development Report.

Inspiring Design

A solar-powered house is displayed at the 2013 China Solar Decathlon on August 2-13 in Datong, Shanxi Province.

The Decathlon is a solar building science and technology competition for universities around the world. It involves the integration of solar energy, energy conservation and building techniques, having attracted students from more than 100 universities in America, Europe and Asia to participate in previous events.

China is the first Asian country to host the Decathlon this year, with the participation of 22 teams from 35 universities in 13 countries.



THIS WEEK ECONOMY

Nature's Treasure

Farmers pick grapes in Binchuan County, Yunnan Province. The county produces 2,000 kg of grapes per *mu* (667 square meters). The popular grapes have been sold in China and abroad.



Price-Fixing Fines

China has issued record fines of 670 million yuan (\$108 million) on six baby formula companies on the mainland following an anti-trust probe, according to an announcement by the National Development and Reform Commission (NDRC) on August 7.

Biostime was fined 163 million yuan (\$26.63 million), or 6 percent of its sales revenue in 2012, as it "seriously violated anti-monopoly laws and failed to actively take corrective action," said Xu Kunlin, Director of the Price Department of the NDRC.

Mead Johnson was fined 204 million yuan (\$33.33 million), or 4 percent of its previous year's revenue last year, because it "did not actively cooperate with the investigation while taking active self-rectification measures," said Xu.

Dumex, Abbott, Friesland and Fonterra each received a fine equal to 3 percent of their 2012 revenue. Xu said these four companies cooperated in the probe and actively moved to correct their practices. Wyeth, Beingmate and Meiji were exempt from punishment, because they cooperated with the investigation, provided evidence and actively took self-rectification measures, said Xu.

Xu said in the probe into these nine companies initiated in March, the NDRC found the involved formula producers set minimum resale prices for distributors. The distributors that sold their products at a price lower than the fixed minimum price were punished.

Liquidity Injection

The People's Bank of China (PBC), the central bank, continued to inject liquidity into the banking system on August 6, with 12 billion yuan (\$1.96

EWORK IT

Staff members from China Railway Tunnel Co. Ltd. work on the highway linking Sanmenxia and Xichuan of Henan Province amid extreme hot weather on August 3 billion) of seven-day reverse repurchase agreement (repo) operations.

The yield of the reverse repo, a process whereby the central bank purchases securities from commercial banks with an agreement to resell them at a future date, fell from 4.4 percent to 4 percent, according to a PBC statement.

Changes in the yields of the reverse repo rate usually reflect how the central bank views the current borrowing costs in the market and how it will guide future lending rates.

The injection is the third since July 30, when the central bank resumed the reverse repo sales after a suspension of about six months. But experts said the central bank's move does not mean a change in its prudent monetary policy.

Economic Stabilizing

China's official Purchasing Managers' Index (PMI) for the manufacturing sector picked up slightly to 50.3 in July from 50.1 in June, signaling a stabilizing trend in the country's economy.

Zhao Qinghe, a senior economist with the National Bureau of Statistics (NBS), said it was the 10th consecutive



THIS WEEK



The railway linking Tianjin and Qinhuangdao in Hebei Province runs above a road during a test on August 3. The line will shorten travel time between the two cities to only one hour

month that the PMI has hovered around 50.5 since October 2012. A reading below 50 indicates a contraction of activity. Most sub-indices also increased from a month earlier.

Zhang attributed the rise in confidence to a series of "mini-stimulus" measures adopted since early July, which include tax breaks for microsized businesses and accelerated spending on subsidized housing, urban infrastructure, high-speed rail and energy-saving industries.

The non-manufacturing PMI stood at 54.1 percent in July, up from 53.9 percent for June, according to the NBS. The PMI for China's nonmanufacturing sector rebounded after falling for three consecutive months.

Trade Improves

China's foreign trade grew 7.8 percent year on year to \$354.16 billion in July, gradually recovering from June's unexpected tumble, the General Administration of Customs said on August 8.

Exports went up 5.1 percent year on year to \$185.99 billion in July, while imports gained 10.9 percent to \$168.17 billion.

The trade surplus narrowed by 29.6 percent year on year to \$17.82 billion in July, as import gains outpaced export gains.

In July, trade with the EU, China's largest trade partner, rose 5 percent, while that with the United States, China's second largest trade partner, rose 10 percent.

Trade with Association of Southeast Asian Nations increased 13.1 percent. Trade with Japan shrank 6.1 percent in July.

Exports of electronics and ma-



chinery grew by 4 percent to reach \$102.85 billion in July, accounting for 55.3 percent of total exports.

WeChat 5.0

The battle between China's Internet titans intensified as Tencent Holdings Ltd. started allowing its WeChat users to make online payments on August 5, a move that taps into the lucrative e-commerce market, which has been traditionally dominated by its archrival Alibaba.

WeChat, the most popular messaging and social media app developed by Tencent, released its version 5.0 on August 5, in the product's biggest update since it was launched in January 2011.

The new features of WeChat 5.0 include games, scanner tools and—most importantly—payment integration, which is seen by many insiders as the most aggressive function of all.

The WeChat payment function can integrate bank accounts (credit or debit cards) with a customer's WeChat account, which allows WeChat's more than 400 million users to make purchases on several e-commerce platforms.

With the help of scanner tools, goods can be scanned using a product's barcode, allowing the user to jump directly onto the e-commerce website and order it immediately.

Reach for The Sky

The main body of the Shanghai Center was completed on August 3. The building, with a height of 632 meters, will be the tallest in China when complete.



Numbers

23.8 bln yuan

Five-year bonds the Ministry of Finance issued on August 5 on behalf of local governments to meet growing spending demands

10,347 yuan

Average price per square meter of a new home across 100 Chinese cities surveyed in July, climbing for the 14th straight month

1st

China's ranking in terms of material consumption in the world, according to a report released by the United Nations Environment Program

12.58%

Profit growth of China's machinery sector in the first half of 2013

THIS WEEK WORLD

















 (\mathbf{V})

HONDURAS



A woman walks by a banner hung on the U.S. Chamber of Commerce building in Washington, D.C. on August 2. The U.S. unemployment rate fell to a four-year low of 7.4 percent in July

"Telling stories are more powerful than conveying ideas in political or philosophical language."

Zhao Qizheng, Director of the Foreign Committee of Chinese People's Political Consultative Conference, commenting on how Chinese culture can be transmitted to the rest of the world, on August 5



"Parents who lose their sole child will face difficulties later in life. The government should take care of them."

Chen Wei, a lawyer in Beijing, in response to a petition to China's top legislature for compensation from over 1,700 parents who have lost their only child, on August 5.



"Some girls dream of finding a rich husband, which makes high-end matchmaking popular and also offers a chance to swindlers."

Yu Hai, a sociology professor at Fudan University in Shanghai, in response to the rise of online fraudsters posing as high-class matchmakers or suitors, on August 5.

 (\downarrow)

"I attended several job fairs both in Beijing and Shanghai. Many companies rejected my resume once they discovered that I received my degree from a university in Taiwan. They had very limited knowledge about my school."

Li Chenchen, 25, commenting on the difficulty of finding a job on the mainland, on August 7 **BEST SWIMMER**



Star swimmer **Sun Yang** was recently crowned the best male athlete at the 15th FINA World Championships in Barcelona. He collected the 400-meter, 800-meter and 1,500-meter freestyle gold medals, matching a feat achieved by Australian Grant Hackett in the 2005 Montreal Worlds.

Sun, 22, is the 1,500-meter freestyle world record holder and the first male athlete to win an Olympic gold for China in the event.





Xiao Gang, head of the China Securities Regulatory Commission (CSRC), vowed to establish "proactive" legislation and law enforcement for the rapidly changing capital market. In an article published in Party-run *Qiushi* Journal, Xiao said penalties for malpractice will increase and cooperation with law enforcement personnel will be strengthened. Meanwhile, larger incentives will be offered to whistleblowers and compensation for victims will increase.

His remarks come as capital market crimes in China are becoming increasingly sophisticated, involving not only the management of public companies and brokerages, but also financial

institutions and government officials. Xiao, 55, became head of CSRC in March.

MEDIA DIGEST **THIS WEEK**



Who Is Hacking China?

Oriental Outlook

August 8

With the China hacker threat being exaggerated, statistics show that the country is in fact the biggest victim of cyber attacks.

A recent report from the National Computer Network Emergency Response Team Coordination Center of China (CNCERT/CC) indicates that attacks from IP addresses in the United States, no matter in the form of Remote Access Trojans or spear-phishing, rank the highest.

Although frequent attacks on the Chinese network have not caused largescale harm, they do pose stiff challenges to its cyber security.

In the first half of 2013, CNCERT/CC lodged 1,760 complaints to international network emergency response organizations, among which 1,110 are American.

Wang Minghua, Director of the Operational Department at CNCERT/CC, told *Oriental Outlook* that to cope with cyber attacks, countries should build such trust by talking face to face and through bilateral and multi-lateral organizations.

Helping Hands

Changjiang Daily August 5

In Liaoning Province's draft amendment on rewarding and protecting people willing to help others in an emergency, the original article "not to encourage teenagers to help others in an emergency" was changed to "encourage legal, proper and effective ways of helping others in an emergency."

Rising to the occasion requires people to stand up when other people are in need, the beneficiaries being public order and social morality. Encouraging such acts promotes a public value sensibility.

Although the act applies to all members of society, it bears different interpretations for different age groups. For teenagers, whose bodies and minds are immature and socialization levels low, recklessly helping others in an emergency tend to bring big regret.

Helping others in an emergency is not only a moral question, but also a technical one. As an act of taking social responsibility other than a legal duty, it not only requires a person to have sound moral qualities and courage, but also good physical strength, rich experience and professional knowledge. All these qualities are lacking in teenagers. A mature society stops teenagers from taking responsibilities beyond their abilities, especially at the cost of life.

Reform of the Pension System Yangtze Evening News August 5

Hu Xiaoyi, Vice Minister of Human Resources and Social Security, recently confirmed plans to reform the pension system. China's current pension system covers government departments and public institutions that don't pay endowment insurance, and enterprises, which do pay. This dual-track system has been criticized for years for not being able to adapt to a changing society.

Experts say that the core of pension reform lies in realizing social justice and equity by increasing low incomes. This means interest groups will have to make substantial concessions during the reform. Premier Li Keqiang once said that the reform would not make real strides without determination and courage.

Pension reform has in fact been carried out across several pilot cities since 2009, but with little result, which has raised fears about the new attempts. Eventual success of its pension reforms depends on a clear timetable and roadmap, as well as a transparent platform for the public to express their views.

The Enemy of Feminism China Newsweek August 5

Over the 30 years since China's reform and opening-up drive kicked off, its feminist movement has evolved into an active platform for online and street protest, drawing increasing public attention. Some feminists have gone as far as to express their views on social issues and influence government decisions.

However, this has not necessarily entailed a rise in the status of women. Statistics show that behind the active feminist movement, widespread gender inequality remains, specifically related to employment discrimination, family violence, sexual assault, rape and keeping mistresses.

Undoubtedly, women now have more

opportunities than 30 years ago; however, they still face many dilemmas. Feminists



alone are not capable of changing the status quo. Additional policies, a law-making and judicial system as well as the positive input of men, are required.



www.kenya-airways.com



Jointly published by: CHINAFRICA Magazine of BEIJING REVIEW Chinese Society for African Studies

This Business Directory:

Includes studies of China-Africa cooperation by profession institutions and experts, as well as industrial reports and China Africa policy and measures for promoting bilateral trade and investment;



Is the best promotional platform for African governments and companies to learn more about Chinese enterprises; and

Is the business guide absolutely vital for Chinese and African businesspeople in their economic and trade cooperation.

Subscribe NOW, to benefit from business opportunities. To be sold at RMB380.00 or \$59.99 Available at: bjreview.taobao.com



COVER STORY

THE ROUHANIERA Iran's new president promises to lift struggling economy and improve ties with the outside world By Yu Lintao

Tehran bid farewell to Mahmoud Ahmadinejad with the swearing in of new Iranian President Hassan Rouhani on August 4. Rouhani defeated five rivals in an election campaign bearing the slogan "moderation and wisdom," capturing the expectations of Iranian people that he could change the country's deteriorating economic climate as well as its relationships with the outside world.

However, observers claimed that Rouhani's ability to alter Iran's course is limited, as the current economic climate in Iran is mainly caused by Western sanctions and that it is impossible for Iran to change its position on the nuclear issue. Though the new Iranian president is believed to be more moderate in dealing with Western countries, fundamental changes are unlikely to be achieved between Iran and the West.

Pressing task

Rouhani has inherited from his predecessor a country mired in economic depression and

diplomatic dilemmas. The sluggish economy, in particular, has severely affected the livelihood of the Iranian people.

Iran is under substantive political and economic sanctions from the United States and its Western allies due to its controversial nuclear program. The West suspects that Iran's nuclear activities may have military motives while the latter emphasizes its civilian purposes. The sanctions have pushed Iran's inflation rate to more than 30 percent, the unemployment rate has risen to around 20 percent and the country is losing tens of billions of dollars in oil revenues every year.

Many ordinary Iranian people hope that the new president will be able to boost the economy after taking office and raise living standards. If the issue boils down to producing nuclear weapons versus putting bread on the table, ordinary people say they prefer the latter.

Rouhani said during his inauguration ceremony that he will rescue the country's economy, deal with the economic hardships of the people and fight poverty. However, the key to solving the current economic difficulties is easing the Western sanctions.

"For Iran's current economic difficulties of Iran, any small adjustment or amendment is of little help," said Wang Feng, Deputy Director of the International Relations Department of the Institute of West-Asian and African Studies under the Chinese Academy of Social Sciences.

"To change the situation, we should see how the new Iranian president improves relations with the West," Wang told *Beijing Review*.

As a moderate conservative, Rouhani has pledged to save the struggling economy by improving relations with the international community. During his inauguration, Rouhani admitted Western sanctions have put pressure on the economy and exacted a heavy toll on the country's people.

In the meantime, the new president said Iran would continue to safeguard its own independence and dignity. He stressed the West SUPREME SUPPORT: Iran's newly elected president, Hassan Rouhani (third right), speaks at an endorsement ceremony in Tehran, Iran, on August 3. Iran's Supreme Leader Ayatollah Ali Khamenei (fourth right) officially endorsed Rouhani in a ceremony that day

should engage in dialogue with Iran on a basis of "equal footing" and "mutual respect."

Core problem

The improvement of Iran's economy rests with the lifting of Western sanctions. To do so, Rouhani will have to at least break the deadlock surrounding the nuclear talks with five permanent members of the UN Security Council and Germany. The world powers and the Islamic republic have conducted several rounds of talks concerning the country's sensitive nuclear program, but no agreement has been reached.

Hua Liming, Former Chinese Ambassador to Iran, said that whether the sanctions on Tehran are lifted or not depends on the progress of the Iranian nuclear negotiations, which in turn depends on the attitude of the United States.

Rouhani, who has served as Iran's former chief nuclear negotiator from 2003 to 2005, was considered a shrewd and pragmatic negotiator over the country's nuclear issue with the West. During his term as Iran's top nuclear negotiator in 2003, Iran agreed to suspend its controversial enrichment of uranium. Criticized by some conservative hardliners as a compromising diplomat, Rouhani insisted that 'we must have our nuclear program, but not at the cost of great suffering."

Two days after he was sworn in, Rouhani said to reporters that "we are ready to enter negotiations [with the world powers] seriously and without losing time," insisting that he will not negotiate on what he referred to as "the nuclear rights" of his nation.

After the inauguration of the new president, Washington reached out to Tehran. White House spokesman Jay Carney said in a statement that, "Should this new government choose to engage substantively and seriously to meet its international obligations and find a peaceful solution to [Iran's nuclear program], it will find a willing partner in the United States."

However, it seems the United States is

ROUHANI'S PROFILE

1948: Born in Sorkheh in northern Iran; began studying religion from an early age

1973: Received a bachelor's degree in judicial law from the University of Tehran, and a master's degree in public law and a PhD from Glasgow Caledonian University in Scotland in 1995 and 1999, respectively

1979-June 2013: Held multiple positions, including secretary and representative of the Supreme National Security Council, member of the Assembly of Experts, member of the Expediency Discemment Council, president of the Center for Strategic Research, and multiple roles in parliament

June 15, 2013: Declared the winner of Iran's 11th presidential election

(Source: Chinese Academy of Press and Publications)

of Iran's newly elected president.

Iran's gesture aimed to show the world both the internal solidarity of the country and its openness to the outside, noted Hua.

In his inaugural speech, Rouhani alluded to Iran's problematic relations with the West and spoke of building mutual trust. 'Transparency is the key to opening

playing a double-sided game. Just days before Rouhani's entry into office, the U.S. House of Representatives passed a bill imposing fresh sanctions on Iran's energy sector and put Iran's new presidency into a further quandary.

Although Rouhani said in his inauguration speech that dialogue is the proper way to settle the issues between Iran and the West, he stressed Iran's right to peaceful nuclear power and nuclear enrichment.

Wang said it is unlikely any big breakthroughs on the nuclear issue will be made in the short run. "The nuclear program concerns the security of the current Iranian regime, to which the United States is very hostile."

Many observers, including Hua, believe that Iran's supreme leader has the final say in formulating the country's foreign policy and its pursuit of nuclear power.

Though Rouhani describes his policy as moderate and pragmatic, and could bring certain changes to Tehran's relations with Washington, the fundamental stance of Iran's foreign policy will change little, said Hua.

More open to the outside

For the first time in the history of the Islamic republic since 1979, representatives including state leaders from about 55 countries were invited to attend the inauguration ceremony a new chapter in mutual trust," said the new president. "And the transparency we are talking about cannot be one-way," he added.

Wang noted that, unlike his predecessor Ahmadinejad, the new president would adopt a slightly moderate attitude toward Israel.

"The tough talk of former Iranian President Ahmadinejad over Israel aimed to draw support from the Islamic world, but actually failed to bring Iran any practical benefits. Rouhani seems to take a comparably moderate stance toward Israel," Wang said.

Indeed, Rouhani has been openly critical of the outgoing president, saying President Ahmadinejad's "careless, uncalculated and unstudied remarks" have cost the country dearly.

Both Wang and Hua also believe that China and Iran would keep a stable and friendly relationship under the administration of the new Iranian president.

"China is committed to developing a friendly relationship and conducting mutually beneficial cooperation with all countries," said Wang, "President Rouhani is very pragmatic; he will undoubtedly continue to develop good relations with China."

yulintao@bjreview.com



Pooling Global Capital, Piloting Investment Trend

Xiamen·China 2013.9.8-11

Sponsor:

Ministry of Commerce, PRC

Co-sponsors:

United Nations Conference on Trade & Development (UNCTAD)

United Nations Industrial Development Organization (UNIDO) World Trade Organization (WTO)

Organization for Economic Cooperation & Development (OECD) International Finance Corporation (IFC)

World Association of Investment Promotion Agencies (WAIPA)

Start Planning Your Trip Now to the 17th China International Fair for Investment & Trade (CIFIT)

A World-class Investment Event featuring exhibition and showcase, project matchmaking, forums and seminars and high-profile networking.

CIFIT, a premier global event featuring bilateral and multilateral investment cooperation, is solely sponsored by China's Ministry of Commerce. Themed around global investment, CIFIT serves as an irreplaceable gateway for China's inbound and outbound investment activities, and facilitates a great platform to showcase the overall investment climate, prospective investment projects and corporate products from throughout China and across the world.

CIFIT's magic lies in its ability to ensure its participants one-stop-shopping service, which can be embodied in the following 3 aspects:

- * Get a bird's-eye-view on the investment opportunities in and beyond China with minimal time and costs;
- * Obtain the most updated investment policies and information from the most direct channel;
- * Select from the widest range of investment projects and business partners, and make the right decision.

Make CIFIT an annual fixture on your business calendar and book your ticket today! Looking forward to meeting in the picturesque Xiamen in September!

For details, please call +86-592-2669906, fax +86-592-2669830 or e-mail cifit@chinafair.org.cn.

www.chinafair.org.cn