

# BEIJING REVIEW

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## AGAINST THE CLOCK

Urbanization propelled as nation reforms  
household registration



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## EDITOR'S DESK

**02** Changing an Outdated Policy .....

## THIS WEEK

## COVER STORY

## SPECIAL REPORT

## WORLD

**24** Obama's Dilemma .....

Trouble at the top for U.S.  
commander-in-chief

**26** Costly Sanctions .....

EU penalties may not prove  
expensive for Russia alone

## NATION

**32** Dealing With Drugs .....

The war continues against narcotics  
trafficking



# 14

## COVER STORY

### Ending Urban-Rural Dichotomy

Radical set of reforms boost China's  
urbanization

## WORLD

### P.22 | When Interventionism Backfires

Chaotic Libya shows downside of interference

## NATION

### P.30 | The Story Behind the Blast

Auto factory explosion highlights safety issues

## BUSINESS

**36** Catering to the New Normal .....

Adapting to a slowing economy

**38** Market Watch .....

## CULTURE

**42** Legendary Love .....

The mythological roots of the Qixi Festival

**44** Building Linguistic Bridges .....

Pro translator's lifework honored

## FORUM

**46** Gaokao: Making the Grade .....

New book examines China's college  
entrance system

## EXPAT'S EYE

**48** Food, Glorious Food .....

Exploring China's eight proud culinary  
traditions

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## SPECIAL REPORT

### P.18 | Rescue Among Rubble

Speedy response to Yunnan tragedy



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# EDITOR'S DESK

## Changing An Outdated Policy

The Chinese Government has decided to replace the existing household registration—known as *hukou*—system that separates urban and rural residents with a country-wide registration system, according to a State Council document published on July 30.

The *hukou* system was established under the planned economy of the 1950s. When the People's Republic of China was founded in 1949, there was no system of household registration. Also, the Constitution adopted during the First Session of the First National People's Congress (NPC) in 1954 stipulated that Chinese citizens would be allowed the freedom to choose where to live and migrate. However, at that time, a large number of farmers swarmed to cities, putting increased pressure on the already high urban unemployment rate. Thus, the Central Government was forced to respond.

In 1958, the Standing Committee of the NPC, China's top legislature, passed the country's Household Registration Regulations, which have now been in place for more than half a century. The restriction of population migration through the *hukou* system was accorded legal status. Such a system was intended to keep rural and urban workforces at a proper and stable ratio, and prevent a massive influx of rural residents into cities.

However, since the system was put into place, Chinese citizens have been divided into urban and rural groups entitled to vastly different and unequal rights and social welfare benefits. Rural residents were tied to their land, unable to move due to the sys-

tem. Converting a rural *hukou* into an urban one has historically been anything but easy.

The reform and opening-up program launched in the late 1970s boosted the country's market economy. As a result, many new jobs were created in cities and severe labor shortages developed. A large number of rural residents poured into cities, becoming the main workforce in places like factories and construction sites. At this time, the planned economy-era *hukou* system became—and remains—an increasingly large obstacle for free population migration under the market economy.

Thus, reforms are, and have been, in urgent need. Though revisions to the *hukou* system have been repeatedly proposed and discussed at annual NPC sessions over the past 10 years or so, no substantial progress has been made. Basic political rights, access to employment, education and social welfare are all closely tied to *hukou*, making immediate reforms nigh impossible.

Recent reforms of the old system should therefore be considered the most groundbreaking initiative to have taken place since the 2006 cancellation of the agricultural tax. The latter helped unify taxation systems between rural and urban areas, reduce burdens on the rural population and enable residents in the countryside to enjoy equal development opportunities. Though it takes time for any reform to have a visible effect, the latest move represents another significant step toward narrowing the rural-urban development gap and reducing the inequalities brought about under the *hukou* system. ■

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# BACK TO NATURE

Five Oriental white storks are ready to fly back into the wild at the Longfeng Wetland Nature Reserve in Daqing, northeast China's Heilongjiang Province, on August 3.

They were among a total of 15 storks saved from electrical pylons and sent to the nature reserve for rehabilitation in June. The endangered Oriental white stork comes under China's highest level of wildlife protection.

## Summer Flow

Chinese railways have so far carried a record number of passengers during the summer peak travel period that started in July, the China Railway Corp. (CRC) said on August 2.

The CRC has added new trains to cope with the increasing number of passengers.

University students who have ended their summer holidays will start returning to schools in August and the two-month summer travel peak period will end on August 31.



ZHANG WENJUN

education authorities to rein in school enrollment irregularities. In China, enrollment into good schools can give rise to corruption.

## Lab Underground

China has begun expanding the world's deepest underground lab in southwestern Sichuan Province, where scientists have been conducting experiments on mysterious "dark matter."

The second-phase construction of the Jinping Underground Laboratory, located at 2,400 meters under the surface of Jinping Hydropower Station, was launched on August 1 by Tsinghua University and Yalong River Hydropower Development Co.

The construction, scheduled to be completed by the end of 2015, will increase the lab's space to 120,000 cubic meters, allowing more experiments to be carried out simultaneously, the university said.

The Jinping lab, opened in December 2010, provides a "clean" space for scientists to pursue the invisible substance known as dark matter. Researchers said the extreme depth helps block most cosmic rays that can hinder observation.

The lab has accommodated a project called the China Dark Matter Experiment, whose results were published in scientific journal *Physical Review* in 2013.

Scientists are still searching for evidence to prove the existence of the hypothetical dark matter, which accounts for over a quarter of the universe's mass-energy balance but has not been directly detected.

## Waste Disposal

China has begun to build its first facility for the disposal of highly radioactive liquid waste, using a technique that combines the liquid with glass to form a solid, the China National Nuclear Corp. (CNNC) said on August 1.

The techniques for disposing of low- and medium-level radioactive liquid waste are considered mature, but those for disposal of more radioactive grades still require breakthroughs.

With glass solidification, radioactive waste solution is processed and mixed with additives. It is then combined with

## Home for Orphans

China will build more child welfare institutions in county-level regions as part of its efforts to improve welfare networks, according to the Ministry of Civil Affairs.

The ministry plans to establish homes in counties with a population of more than 500,000 people to provide 35,000 more new beds for orphans in the next three to five years.

"Most orphans live in the countryside but child welfare agencies are available in only a minority of county-level regions, and about 80 percent of beds for orphans are provided in cities," said Dou Yupe, Vice Minister of Civil Affairs.

The authorities began to address the supply-demand imbalance a few years ago with 463 institutions built from 2006 to 2010.

According to ministry statistics, China had 549,000 orphans by the end of 2013, with only 98,000 beds available for them.

Around 110,000 orphans live in social welfare homes, including more

than 50,000 living with old people or the disabled.

## Student ID

China's education authority announced on August 5 that it is to assign each primary and secondary student with an exclusive ID number.

The Ministry of Education (MOE) ordered provincial education authorities to work with public security authorities to verify student IDs in their jurisdictions, giving priority to those about to graduate from primary, junior and senior high schools.

After rescinding duplicate or incorrect IDs, the MOE will collate data into a nationwide database.

According to the MOE, the database will help track students who migrate with their parents and those left at home by parents who travel for jobs, providing better care and services to such children.

The MOE said the database will also improve management of student aid programs, including nutrition enhancement and financial subsidies.

The database will also help

## SPORTS EVENT

The 12th National Student Sports Games closes on August 2 in Shanghai. The host city Shanghai has handed over the flag to Zhejiang Province, which will host the next event in 2017.



LIU YING



glass and the mixture is heated. When it cools, it becomes a solid glass or ceramic product.

The CNNC said glass solidification is the most effective method to dispose of highly radioactive liquid waste. In cooperation with domestic and international institutions, the CNNC conducted successful tests of the technique and was awarded a construction permit in February.

The CNNC said the new permit will increase China's capacity to safely manage radioactive waste.

## Food Safety

Several Chinese cities have piloted the merging of quality watchdogs to ensure food safety.

Tianjin in north China set up the Tianjin Market and Quality Supervision Administration by merging three municipal government departments—the industry and commerce administration, quality and technical inspection as well as the food and drug administration.

The new combined market watchdog of Tianjin is the first provincial-level one of its kind in the country. Similar bodies have been established in Zhoushan in east China's Zhejiang Province, Pudong New Area in Shanghai and Shenzhen in south China's Guangdong Province this year.

The reform will not only facilitate trade and investment, but also further improve the safety supervision of food and other commodities, said Lin Lijun, head of the Tianjin Market and Quality Supervision Administration.

Staff of the previous three government bodies will be integrated and specialized, according to Lin.

**“We will set up market and quality supervision bodies at township or street levels and merge the grass-roots law enforcement teams to strengthen food and drug safety administration.”**

Wang Haifu, an official with the Tianjin Market and Quality Supervision Administration



## Vivid and Real

A woman acts with “Bruce Lee” at a 3D design expo, which kicked off on August 6 in Beijing.

## Social Credit Valued

A Chinese authority said a social credit record system will be set up to cover citizens, corporations and other organizations in the country.

The move is to promote integrity, credibility and good faith in Chinese society, according to a document published on August 1 by the Central Commission for Guiding Ethic and Cultural Progress.

The document urged the establishment of a uniform social credit record system as well as a database linked to

the system.

Such information will be integrated with the records regarding issues such as corporations' registration and administration, taxation, production safety, food and drug safety, environmental protection, medical care and intellectual property rights, the document said.

Moreover, the sharing system for such information will also be enhanced.

Those who have acted with honesty and good faith will be listed in a credibility list and a blacklist of discredited cases will also be formed and made available to relevant parties.

## Special Education Aid

A teacher teaches students with hearing loss in a special-education school in Hohhot, Inner Mongolia Autonomous Region.

The Ministry of Education announced on August 6 that subsidies worth 410 million yuan (\$66.4 million) will be available for special-needs education this year, about 650 percent more than in 2013.

Total spending on special-needs education reached 9.2 billion yuan (\$1.52 billion) in 2013, up from 1.7 billion yuan (\$281 million) a decade ago.



## Strong Recovery

China's manufacturing activity quickened to its highest level in more than two years in July, reinforcing signs that the economy is firming up owing to government support policies.

The purchasing managers' index (PMI) of the manufacturing sector rose to 51.7 in July, up from 51 in June, according to data released on August 1 by the National Bureau of Statistics (NBS) and the China Federation of Logistics and Purchasing (CFLP).

A reading above 50 indicates expansion, while a reading below 50 reflects contraction.

The stronger-than-expected data marked the fifth monthly recovery of the PMI, a widely watched indicator of the health of the world's second largest economy.

NBS statistician Zhao Qinghe

attributed the strength to government policies designed to stabilize growth and the continuously improving external environment, which helped boost production and new orders.

On the other side, business activity in China's non-manufacturing sector slightly slowed in July.

The PMI of the non-manufacturing sector came in at 54.2 in July, down 0.8 percentage points from June, according to a report jointly released by the NBS and CFLP.

The non-manufacturing PMI tracks activity in sectors including construction, software, aviation, railway transport and real estate. July's reading marked the lowest level in six months, but still well above the 50 threshold that demarcates expansion and contraction.

Notably, the property market remained weak, with the business activity, new orders and price indices for the



## IRON GIANT

Workers try to join the two sections of a cable-stayed bridge, the main component of a grand bridge spanning the Yongjiang River in Ningbo, east China's Zhejiang Province, on August 5

sector all dipping below the 50-percent demarcation.

Cai Jin, Vice Chairman of the CFLP, said the slight fluctuation of the indices showed the market is generally stable.

## Web Management

The Chinese Government on August 7 launched a regulation to tighten management of instant messaging services, in an effort to build a clean cyberspace.

The regulation targets public accounts on such services, most of which are subscription-based mobile apps, and which can spread information on a large scale.

New registrants will for the first time be obliged to register with real names. Users shall abide by laws and regulations, national interests, the legitimate rights and interests of citizens, public order, social morality and ensure the authenticity of the information they provide, under the regulation.

Meanwhile, providers of instant messaging services shall be responsible for their safe operation, protect users' information and citizens' privacy, be subject to public supervision and handle illegal information in a timely manner.

Regulators will warn violators, limit their rights to release information, suspend their renewals or even close their accounts, based on the degree of the violation.

## Tackling Overcapacity

China has seen positive developments in reducing excess production capacity as it works to improve economic structure, according to a report of the National Development and Reform Commission (NDRC) on August 1.

In the first six months of the year, investment into the steel and electrolytic aluminum sectors dropped by 8.4 percent and 31 percent year on year respectively.

Major steel companies started to make profits in March. They recorded a combined profit of 2.85 billion yuan (\$462 million) in May, 2.3 times that of April.

In the first four months, companies in the cement sector raked in a combined profit of 17.2 billion yuan (\$2.79 billion), up 109.3 percent year on year.



## A Rising Star

Workers process chips in Lattice Power Corp., a light-emitting diode (LED) producer based in east China's Jiangxi Province. As a fast-growing hi-tech company, Lattice Power has created a complete industrial chain of LED chips with a silicon base in the Nanchang National Hi-Tech Industrial Development Zone.





ZHAO YINQIQUAN

## Tanks a Lot

Two 160,000-cubic-meter storage tanks of liquefied natural gas (LNG) that are to be put into use shortly. On August 6, a Hainan-based LNG project was completed and entered into trial operation. The project covers an area of 57.2 hectares, with a total investment value of 6.5 billion yuan (\$1.05 billion).

China has been addressing overproduction in the aforementioned five sectors through measures such as closing small factories and limiting investment into these industries.

The NDRC said China will continue with the push to reduce the excess capacity and improve the efficiency of the economy.

## Anti-Monopoly Probes

Two separate anti-trust investigations into Chrysler and Audi have found that the two multinational carmakers have pursued monopolistic practices and will be punished, NDRC spokesman Li Pumin said on August 6.

Li told reporters that the Chrysler investigation was launched by the Shanghai Municipal Development and Reform Commission and the Audi probe was conducted by the Hubei Provincial Price Bureau.

The two investigations are drawing

## TRIUMPHANT RETURN

Fishing trawlers come back to the port in Sanya, south China's Hainan Province, with their first catch of fish since the end of the summer fishing moratorium



SHI XIAOPENG

to an end, he said, without specifying details of the punishment.

Li also confirmed that the Jiangsu Provincial Price Bureau has just launched an anti-trust investigation into dealers of German auto giant Mercedes-Benz in five Jiangsu cities.

The NDRC has recently finished investigations into 12 Japanese companies and found monopolistic behaviors in auto parts and bearing prices. Li said the commission will punish them in accordance with the law.

## Shanty Renovation

China will step up financial support to ensure that its annual target for renovation of shantytowns can be met, according to a government document published on August 4.

The country will support state-owned companies to raise funds for shantytown renovation through issuing bonds, said a State Council circular.

Private companies will enjoy the same preferential policies as their state peers when they participate in renovation projects.

The new housing finance division in the China Development Bank should prioritize lending to shantytown renovation projects, and commercial banks should improve lending services to them, according to the circular.

Shantytown renovation is considered key to China's urbanization. The government has set a goal of subsidizing the rebuilding of 4.7 million housing units across the country this year.

## Bank Regrouping

The Shanghai and Hong Kong-listed China Everbright Bank announced on August 2 that the State Council has approved the proposed restructuring of its parent company China Everbright (Group) Corp.

According to the restructuring proposal, the corporation will be transformed from a wholly state-owned enterprise to a joint stock company and will be renamed China Everbright Group Corp.

The new company will be jointly set up by the Ministry of Finance (MOF) and Central Huijin Investment Ltd.

MOF's capital contribution will comprise its equity interest in China Everbright (Group) Corp., its equity interest in China Everbright Holdings Co. Ltd. and the principal and interest of the credit extended to China Everbright (Group) Corp. by the MOF.

The capital contribution of Central Huijin will comprise the 9-billion shares it holds in China Everbright Bank, its equity interest in China Everbright Industrial (Group) Co. Ltd. and the principal and interest of the loans from the People's Bank of China.

China Everbright (Group) Corp.'s businesses have covered bank, securities, insurance, trust, investment bank and assets management since its founding in 1983.





## NEW ZEALAND

Army personnel fire 10 105mm Howitzers in a 100-gun salute during a ceremony commemorating the centenary of the start of World War I in Wellington on August 4



## NORTH KOREA

Teenagers from North Korea and foreign countries take part in student summer camp activities at the Songdowon International Children's Camp in Wonsan on August 6

XINHUA/AP



XINHUA/AP



## BANGLADESH

People mourn their missing relatives on August 5 after an overloaded ferry carrying up to 200 passengers capsized the day before in the Padma River in Munshiganj, where around 100 survivors and two dead bodies had been pulled out of the river





## JAPAN

People hold a banner reading "prevent Japan from becoming a nuclear weapon state" during an August 6 gathering marking the 69th anniversary of the U.S. atomic bombing of Hiroshima in 1945



## PALESTINE

A Palestinian girl carries her belongings as she leaves a UN school in northern Gaza Strip for her home on August 5, after a 72-hour ceasefire between Israel and Hamas went into effect that day



## VENEZUELA

Clowns take part in a 10-km benefit race in Caracas on August 3 as part of an all-volunteer organization to bring joy to hospitalized children and adolescents

## ↓ CELEBRITY EDUCATOR CONVERTS TO BUDDHISM

**Li Yang**, creator of the Crazy English method of language learning, became a layman disciple of Shi Yongxin, head of the Shaolin Temple in central China's Henan Province, on August 2.

The 45-year-old celebrity educator said he plans to build the world's biggest kungfu and language training center in Dengfeng City, where the Shaolin Temple is located. He also plans to hold an international English winter camp at the temple in 2015.

Crazy English, created by Li in the early 1990s, is a non-traditional teaching method that uses shouting to help students memorize and practice the language.

Li's claimed conversion to Buddhism has drawn scathing comments from netizens, with some saying that this is likely another marketing gimmick to sell more Crazy English books. A domestic violence scandal several years ago put Li at the center of controversy.

Li was born in Wujin of east China's Jiangsu Province, and graduated from Lanzhou University in 1990. He had worked as an English radio and TV anchor in Guangzhou before starting his own education business.



## Warfare in the Modern Age

### **China Newsweek** July 28

One hundred years have passed since World War I (WWI) broke out following the assassination of Archduke Franz Ferdinand in Sarajevo on June 28, 1914. By the end of this war in 1918, around 17 million people had lost their lives. Now costly wars are still taking place in nations like Syria, Iraq and Somalia.

All wars involve violence, bloodshed and death. However, the causes of individual wars vary: Territorial disputes, differing value systems and even arguments over ideology can lead to war.

To mark the 100-year anniversary of WWI, *China Newsweek* interviewed people at the center of the wars in Afghanistan, the Gaza Strip, Somalia and the Democratic Republic of Congo in order to depict a real-life presentation of wars and explore the reasons behind their frequent occurrences in the modern world. Lessons should be drawn from WWI, not only because this year marks its centenary but also because current world affairs mirror those in 1914 to some extent. The world is reentering a period of multi-polarization, political forces are restructuring, regional conflicts flare up frequently and the risk of terrorist attacks looms on the horizon.

As war is waged by men, peace therefore depends on every ordinary individual's work toward more diplomatic solutions in the future.



## Local Debt Grows, Along With Concerns **Outlook Weekly** July 28

After conducting interviews in dozens of provinces, municipalities and autonomous regions, *Outlook Weekly* reporters have found that repayment of government debt in some places is gradually coming to a standstill due to slowed economic growth and shifting growth patterns.

Money borrowed by local governments from financial institutions such as banks, trusts, as well as securities and insurance companies has played an important role in boosting economic growth and social progress, accelerating infrastructure construction and improving people's livelihoods.

According to the National Audit Office, the biggest percentage of money borrowed by local governments has been invested in urban construction. By the end of June 2013, of the 10.88 trillion yuan (\$1.76 trillion) owed in local debt, 3.8 trillion yuan (\$615 billion) had gone toward urban construction. Thanks to this investment, many cities have been able to upgrade their appearances and become multi-functioning urban centers, with more convenient transportation and

**"The ovum trade is the same as trade in human organs: illegal. A regulation related to assisted reproduction bans trade in embryos."**

**Kang Kai**, a lawyer with the Beijing Jinghua Law Firm, responding to an online advertisement seeking female undergraduates in Beijing willing to sell their ova, or unfertilized eggs, on August 4

**"Many elderly people in rural areas can no longer depend on their children as a result of the great economic and social changes over the past three decades, and the pension system fails to compensate."**

**Liu Yanwu**, a sociologist at Wuhan University, drawing on his recent research which found that the suicide rate among the rural elderly has increased from 100 per 100,000 to 500 per 100,000 in the last two decades



## Unintended Consequences of Cosmetic Surgeries

**Beijing Youth Daily**  
August 5

According to the China Consumers' Association, the plastic surgery industry has received an increasing number of complaints from consumers in recent years. Statistics from 2012 show that every year, nearly 20,000 complaints regarding failed plastic surgeries are filed.

A recent China Central Television broadcast revealed the process behind producing fake or poor-quality materials to be used in these operations, showing where the materials are produced, how they are sold and how much profit is gained. Additionally, some cosmetic surgery hospitals don't even hold the basic necessary qualifications.

An increasing number of consumers hoping to improve their looks have boosted the cosmetic surgery market. However, many consumers don't inquire about a hospital's qualifications or sign contracts when receiving these surgeries. As a result, their safety and legal rights are not guaranteed. Such ignorance has only further given rise to lawlessness in the industry.

Supervision of the plastic surgery market needs to be strengthened. As a number of government departments, ranging from industry and commerce authorities to the drug administration, are involved in the supervision of the market, they should work closely together. Relaxed management in a single department might foster law-breaking activities.

In addition, as the 2002 regulations issued to govern the industry no longer cover the issues involved in plastic surgery at present, new laws and regulations need to be formulated. Finally, the industry itself needs to enhance self-discipline and improve practitioners' moral sensibilities.



### SCANDALOUS SOCIALITE UNDER INVESTIGATION

**Guo Meimei**, the 23-year-old best known for landing the Red Cross Society of China (RCSC) in a credibility crisis, has been investigated for her involvement in illegal gambling and sex trade and for spreading rumors.

Guo confessed to the police that she had nothing to do with the RCSC. Her claims and online behavior were simply publicity stunts to attract attention. According to Beijing police, Guo's wealth came from illegal gambling, commercial performances including singing, and sex trade.

Guo came into the spotlight in 2011 when she posted photos of herself with luxury handbags and an expensive car on her microblog and claimed that her "adopted dad," a euphemism for a sugar daddy, helped her become the general manager of an organization under the RCSC.

Her posts triggered concern over how donations are used by the country's state-run charitable organizations and dealt a major blow to the RCSC, which has been struggling to regain trust since.

Guo was born in Yiyang in central China's Hunan Province, and grew up in a single-parent family.



cleaner environments.

However, as land and real estate markets cool down, the old development model, which focused on increasing debt for the sake of development and selling land to repay that debt, can no longer continue. When the repayment date draws near, those places that have relied solely on land sales for profit will soon find themselves without anything left to sell. Additionally, financial institutions such as banks have tightened loans to governments out of concerns over their ability to repay. This debt crisis puts pressure on economic development, governmental credibility and social stability.

**"Children should be taught how to protect themselves, but the deletion of 'acting bravely' can only bring forth selfish citizens."**

**Tonghuaizu**, a user of Chinese microblogging website Sina Weibo, responding to the draft of a new code of conduct for primary and middle school students recently issued by the Ministry of Education, which removed stipulations calling on students to "act bravely, stop violations of social norms and report serious criminal acts."

**"Many Chinese have less knowledge of breast cancer and feel that cancer is very threatening, and they associate it with immediate death."**

**Qian Lu**, Director of the Culture and Health Research Center at the University of Houston, drawing on her study which shows that Chinese survivors of breast cancer have a better chance of recovery if they write about their fears and emotions, on August 5

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COVER STORY

# ENDING

# URBAN-RURAL DICHOTOMY

China unveils new guidelines on household  
registration reform By Wang Hairong



**NEW IDENTITY:** Zhao Jiufa, a migrant worker from southwest China's Guizhou Province, displays his new *hukou* and ID card in Jinjiang, Fujian Province, in the southeast part of the country, on June 26

**住址变动登记**

变动前的住址	变动后
--------	-----

**常住人口登记卡**

姓名	赵久发	户主或共同户主关系	户主
性别	男	民族	汉族
出生日期	1970年	身份证号	322725197008245813
文化程度	初中	婚姻状况	已婚
兵役状况	无	就业状况	无业

登记日期 2014 年

**T**he State Council unveiled new guidelines that reform China's household registration, or *hukou*, system on July 30, which state that urban and rural residents will no longer be registered separately, a move to put an end to a dual household registration system that has divided the nation into rural and urban populations since the 1950s.

One objective of this round of household registration reform is to help around 100 million migrant workers and other rural residents to settle in towns and cities by 2020, allowing them to enjoy public services on par with city residents, said Huang Ming, Vice Minister of Ministry of Public Security, at the press conference announcing the guidelines.

Official statistics show that China had 174 million farmers who worked in cities and towns away from their home by the end of June.

Another objective is to set up a more efficient household registration system, Huang said. "Such a system is expected to facilitate social management and the provision of public services as well as guaranteeing citizens' rights," he said.

The guidelines also said that towns and cities should relax restrictions on household registration according to the local conditions and expand basic public services to cover all permanent residents.

Huang said that the Central Government is carrying forward the reform with unprecedented determination. "This round of reform is distinct in that it is a comprehensive overhaul of the household registration system, whereas previous reforms were usually partial adjustments," he said.

## Unequal benefits

The guidelines mark a new step in China's urbanization drive. Currently, China is still going through a rapid process of urbanization. Relaxing restrictions on urban *hukou* will help migrant workers and their families settle in towns and cities and enjoy equal social benefits with locals.

In statistical sense, permanent urban residents refer to people that have resided in towns and cities for at least six months. They include people with or without urban *hukou* status.

Official data show that from 1978 to 2013,

the percentage of permanent urban residents in China rose from 17.9 percent to 53.7 percent. Currently, residents with urban *hukou* only make up 36 percent of the total population.

In the same period, the number of cities grew from 193 to 658, with the number of townships increasing from 2,173 to 20,113.

The urbanization trend is poised to continue. In March, the State Council released the National New-Type Urbanization Plan (2014-20), which estimated that by 2020, 60 percent of the population will be urban residents, while 45 percent of the total population will be residents with urban *hukou*.

These data suggest that currently, 17.7 percent of the total population now live in cities and towns, but are not registered as urban residents, and hence are not entitled to welfare and benefits exclusive to those with local urban *hukou*.

Up until about 36 years ago, China was a planned economy, and many of its social benefits were pegged to the urban *hukou* such as assigned work, rationed food, medical insurance as well as pensions and free government allocated housing. On the other hand, farmers—who collectively owned land—subsisted on earnings from their land and were not covered by some social insurance programs.

As China transformed into a market economy, the government no longer assigned jobs, food, or free housing to urban residents.

In recent years, various levels of governments have made efforts to expand social benefits to cover migrant workers. For example, migrant workers signing contracts with their employers are protected under Labor Contract Law. Their employers are obligated to give them unemployment, work injury and basic medical insurance. In Beijing, migrant workers have been covered under the same medical insurance as other urban employees since 2012.

The Ministry of Education has also pushed public schools to accept the children of migrant workers. As of the end of 2013, China had approximately 12 million migrant children at the age of eligibility for compulsory education, more than 80 percent of whom were enrolled in the public schools of their towns and cities of residence, according to Liu Limin, Vice Minister of Education.

Migrant children can also receive free ►►



vaccinations, said Wang Peian, Vice Minister of the National Health and Family Planning Commission.

However, some social benefits remain available to urban *hukou* holders only.

Students without a Beijing *hukou* cannot take the college admission examination in the city or be admitted into universities according to the same selection criteria as local students. A person without a Beijing *hukou* needs to be employed in Beijing and pay social security tax for at least five years before he or she is eligible to buy a house in Beijing.

Xinhua News Agency found that rural-urban disparity still exists in 33 public services and benefit payments, including education, housing, pension, and even in compensation for traffic accidents.

Although the guidelines state that citizens will no longer be classified as rural or urban under the household registration system, they do not announce immediate eliminations of the disparity in any of the aforementioned 33 items.

## Differentiated policies

According to the guidelines, different policies will be applied in different cities. The Central Government will lift household restrictions in towns and small cities, gradually ease restrictions in medium-sized cities, and set reasonable thresholds for settling in big cities, while strictly controlling the population in the country's megacities such as Beijing, Shanghai and Guangzhou.

In small cities and towns, "Anyone who has a legal residence can register for permanent residence, even temporary tenants," Huang said.

Medium cities with populations between half a million to 1 million can choose to have no threshold at all depending on their carrying capacity, according to the guidelines.

Large cities with a population between 1 million and 5 million can set reasonable threshold, such as requiring *hukou* applicants to have a legal and stable job, a legal and fixed domicile and to have made social security payments for a certain period but no more than five years.

Li Pumin, Secretary General of the National Development and Reform Commission, recently said that more than half of China's migrant workers are located in county and prefecture-level cities, so it is important to improve transportation infrastructure and boost industry growth in these cities so as to increase their accessibility and create more jobs for migrant workers.

In megacities, migrant population grows by almost half a million every year on average, creating enormous pressures, according to Huang.

Currently, Beijing has an annual maximum *hukou* limit. The majority of the quota goes to fresh university graduates hired by qualified employers, such as government departments, public institutions and large firms. Now, the city admits about 10,000 new graduates every year, according to the Beijing Bureau of Human Resources and Social Security. Migrant workers can rarely get *hukou*, expect for when there is special authorization by the government.

Li Gaofeng, a clerk in the migrant population management committee of Balizhuang Neighborhood, Chaoyang District, is one of the few lucky migrant workers to get a Beijing *hukou*. He was honored as a model worker by the Beijing Municipal Government and accepted as a registered permanent resident this April.

In 2001, Li came to Beijing with his wife from his hometown of Fugou County, Henan Province. Over the years, he has worked a number of jobs, including as a postman and janitor. He also has a strong record of volunteer work, such as removing garbage from rivers.

According to the guidelines, megacities with more than 5 million residents will introduce a point system to screen *hukou* applicants. Such a system has already been piloted in the megacities of Tianjin and Shanghai, as well as some cities in Guangdong and Zhejiang provinces. Beijing is also planning to introduce a similar framework, Huang said.

The point system was introduced in Guangdong in 2010. Under the system, an applicant scoring above 60 points out of 100 is eligible for a Guangdong *hukou*. The main criteria include education, skills, social insurance payment and contributions to society. Points will be deducted if an applicant has a criminal record.

Two years after the point system was implemented, 288,000 migrants and their 408,000 family members have received a *hukou* for one of Guangdong's towns and cities, which accounts for 2 percent of the total migrant population in the province, said Han Jun, Deputy Director of the Development Research Center of the State Council.

The point system puts a heavy emphasis on an applicants' education, while Guangzhou plans to revise its system to give more weight to social security payments, according to *Beijing Evening News*.

The paper said that in Guangzhou, the competition for



YANG XIN

### RURAL MEDICAL SERVICE:

Xie Yuhong, a doctor in a village in Shuishi Township, Qianjiang District of Chongqing, examines a patient on June 14. Since 2013, 16 village clinics have been added to the district



## Timeline of *Hukou* System in China

**1958** The Standing Committee of the National People's Congress adopted Household Registration Regulations, which strictly restricted migration from rural to urban areas and between urban areas.

**September 1985** The Standing Committee of the National People's Congress promulgated the Residents Identification Card Regulation. Identification cards were issued to both rural and urban residents.

**October 1, 2001** Household registration reform was launched in more than 20,000 towns and small cities. Migrants with fixed domicile and legal income could apply for urban *hukou*.

**November 2013** The Third Plenary Session of the 18th National Congress of the Communist Party of China decided to accelerate reform on the household registration system.

**July 30, 2014** The State Council published the Opinions on Further Promotion of the Reform of Household Registration System, under which urban and rural residents should no longer be distinguished from one another.

(Source: *The Beijing News*)



*hukou* is fierce. Meeting the threshold does not guarantee that an applicant will get a *hukou*, as only 3,000 are available a year.

Xu Jingyong, an economics professor with Xiamen University, said that large and mega-cities are more attractive to migrant workers because they have more jobs and better public services, but it is very difficult to get a *hukou* there. Xu said equalizing social welfare and public services between urban and rural areas is an urgent task.

Removing the distinction between urban and rural *hukou* is not a fundamental solution,

but only a beginning, while the eventual goal is free migration and equal welfare and social insurance, said a netizen named Qingfeng.

Migrant workers should be entitled to equal public services and welfare in the places where they work and pay tax, regardless of their *hukou* status, said Zhang Yi, Deputy Director of the Institute of Sociology, Chinese Academy of Social Sciences (CASS).

### People-oriented approach

During the urbanization process, the wishes of citizens must be respected, and rural resi-

dents should not feel "compelled" to go to cities, the guidelines said.

The CASS surveyed 110,000 migrant workers in 2010, asking whether or not they would prefer an urban *hukou*. About 80 percent of those respondents born between the 1960s and '70s said they would not, and only 25 percent of those born in the 1980s said yes. When asked if they would want to give up their contracted land in return for urban *hukou*, about 90 percent replied that they would not, reported the Guangdong-based *Yangcheng Evening News*.

In recent years, as urban residents no longer enjoy as many privileges under the market economy and rural social insurance improves, the appeal of urban *hukou* has reduced.

Another important reason behind this disinclination is that villagers do not want to lose their rural residence and the farmland contracted to them. Farmland provides a guarantee to migrant workers. Should they lose their city jobs during an economic downturn, they can return to their home and land, said Zhang.

In China, rural housing sites and land are collectively owned by farmers. Article 10 of the Constitution stipulates, "Land in the cities is owned by the state. Land in the rural and suburban areas is owned by collectives except for those portions which belong to the state in accordance with the law; house sites and private plots of cropland and hilly land are also owned by collectives."

This is also stated in the Land Administration Law, which spells out the standard compensation for rural land as appropriated by the government. In recent years, as land prices have soared, farmers have received higher compensation for land bought by the state.

To alleviate migrant workers' concerns about losing their "nest eggs" back home, the guidelines state that, "At the present stage, migrant workers should not be required, as a precondition to settle in cities and get urban *hukou*, to give up the right of use for the contracted land and home sites, and their share of collective income."

Farmers' rights to use contracted land and housing sites should be clearly defined, registered and certified; they should only be encouraged to trade these rights willingly and in accordance with the law, the guidelines say. ■

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