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National People's Congress of China

ANOTHER MILESTONE OF **CHINA'S** ENVIRONMENT LEGISLATION



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Zhang Dejiang (R, front), chairman of China's National People's Congress (NPC) Standing Committee, talks with local residents as he visits Xiaoying Street in Hangzhou, capital of East China's Zhejiang Province, May 10, 2014. Zhang made an inspection tour in Zhejiang from May 8 to 11. *Ma Zhancheng*



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NPC

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Grassroots legislature's role highlighted for better governance

China is looking for its nearly 2 million township-level lawmakers to better play their roles in representing the people in a bid to improve the country's governance capability.

"Deputies to township-level people's congresses have the closest contact with rural residents and know their appeals best," said Xie Chuntao, a professor with the Party School of the Central Committee of the Communist Party of China (CPC).

"These grassroots legislatures are very important in the social governance structure because they realize people's appeals by channeling them to authorities and supervising work of grassroots government and judicial organs," Xie said.

The system of people's congresses, the fundamental political system to guarantee the people's position as masters of the country, was established in 1954.

From the national level to a small township, there are people's congresses and deputies from various backgrounds.

In China, deputies to county- and township-level people's congresses are directly elected by voters, while deputies to people's congresses above county level are elected by deputies at the next lower level.

Unlike Western lawmakers, most Chinese legislators hold another full-time job, working across the country in different sectors.

"While senior lawmakers might not be aware of the needs and concerns of people in remote and rural areas, township deputies are directly elected by the people, work in the electoral districts and live among the voters," said Sun Shoufeng, director of the research office of the standing committee of the people's congress in Northeast China's Jilin Province.

"Such natural connections enable them to know people's concerns, reflect their appeals and handle social conflicts in a timely manner," Sun said, stressing that the "bridging role" of grassroots deputies must be given full play.

In a reform plan unveiled after a key CPC meeting in November, the Party leadership vowed to improve the system of people's congresses to help it advance with the times and guarantee the people's position as masters of the country by innovating the system's theory and practices.



During a trip to East China's Zhejiang Province from May 8 to 11, 2014, China's top legislator Zhang Dejiang said the role of township-level people's congresses should not be underestimated in consolidating the CPC's ruling foundation and the modernization of the country's governance system and capabilities.

Zhang, chairman of the National People's Congress Standing Committee, called on deputies to people's congresses at township level to listen to the opinions of the masses in a better way and explore new methods to exercise their power in accordance with the law.

The top legislator also urged efforts to improve elections of deputies to people's congresses to ensure that the elections are clean and just.

China conducted its latest round of elections of new lawmakers in its counties and townships between 2011 and 2012, which was also the first since the top legislature revised the



Zhang Dejiang (C, back), chairman of China's National People's Congress (NPC) Standing Committee, talks with members of local people's congress as he visits the Miaoxi Town in Huzhou, East China's Zhejiang Province, May 9, 2014. *Ma Zhancheng*

“More guidance should be given to township-level lawmakers who should be encouraged to solve people’s difficulties and safeguard their legal rights,” said Sun Shoufeng.

Electoral Law in 2010.

Nearly 600,000 county-level and 1.94 million township-level deputies were elected during the period.

According to NPC statistics, more than 981 million people registered to vote in county-level elections, while 723 million registered for the township-level elections. Over 90 percent voted.

Compared with previous years, the lineup of the new lawmakers included fewer officials and an unprecedented equal representation of urbanites and farmers.

Drops were reported in the ratio of seats held by CPC or government officials at county and township levels, with both decreasing by 4.37 percent and 2.42 percent respectively.

“If grassroots lawmakers could better perform their duty on supervising government, the government could perform better,” Xie said.

The professor, however, acknowledged weaknesses in grassroots people’s congresses, such as slack work styles and poor ability in performing their duties.

“More guidance should be given to township-level lawmakers who should be encouraged to solve people’s difficulties and safeguard their legal rights,” Sun said.

Sun called for efforts to enhance the deputies’ ability to perform their duties and improve the related system to guarantee their rights. (Xinhua) ■

Building of grassroots political democracy in China

Good start (1949-1958)

In September 1949, the first plenary session of the Chinese People's Political Consultative Conference passed the Common Program, known as provisional Constitution of the People's Republic of China. It prescribed that the National People's Congress (NPC), the local people's congresses at all levels, the central government and the local governments at all levels are the organs through which people exercise the State power; the people's congresses at all levels are constituted through democratic elections; the governments at all levels are created by the people's congresses at the corresponding level; when the people's congresses at all levels are not in session, their functions and power are exercised by the governments at the corresponding level.

In December 1950, the State Council issued the General Rule on Organization of Township-level People's Representative Conference, stipulating that the people's representative conference and people's government are set up at the township level; the township-level people's representative conference is convened by the government of the same level and acts as an equivalent with the township-level people's congress; the township-level people's representative conference is composed of one chairman and several vice-chairmen who are responsible for hosting meetings, keeping contact with the representatives, and helping the same-level government prepare for the meeting of next term; the people's representative conference meets in session once in a month and holds ad



On September 20, 1954, the 1st Session of the 1st National People's Congress approves the Constitution of the People's Republic of China, which becomes the first constitution of China. This photo shows the applause made by all the deputies when hearing the report on the voting result. *Xinhua*

hoc meetings when necessary.

In February 1953, the commission of the central people's government passed the very first Law on Election of the country, providing legal guarantee for people to exercise the right to vote and to be elected, and truly become the master of their lives. There are a couple of articles in the law related to election of deputies to the people's congresses of township and village levels.

The deputies to the people's congresses of village, township, municipal district and cities not divided into districts are directly elected by the voters.

The villages and townships with population below 2,000 can elect 15 to 20 deputies; those with population over 2,000 can elect 20 to 35 deputies; those whose population is too small can only elect less than 15 deputies, but no less than 7; those whose population is too large can elect more than 35 but less than 50 deputies. It is possible that too many deputies may make their meeting and discussion less efficient.

Election commission is set up by the local government and appointed by the government of the next higher level. The election commission at the

county and township level is responsible for supervising the implementation of Election Law and making detailed arrangements for various elections. Other aspects are also clearly stipulated in the law, including voter registration, proposing a candidate and election procedure.

According to the Election Law, starting from the second half of 1953, the first election was held in China's history, the people's congresses at township, county and provincial level met in session to create the government at corresponding levels. 1,226 deputies to the first NPC were elected.

In September 1954, the first plenary session of the first NPC passed the Constitution of the People's Republic of China, which made the people's congress system as the basic political system, and made the township level as grassroots political authority. The session also passed the Organic Law on people's congresses and people's commission at various levels.

According to the Constitution and the law, the people's congress and the people's commission were established at township and ethnic township levels. The people's congress at township

The people's congress system is the fundamental political system by which the Chinese people act as masters of the State. The Chinese people exercise State power through the National People's Congress (NPC) and the local people's congresses at various levels.

We made a good start after the founding of the People's Republic of China in an effort to build grassroots political democracy, but also went on some detours. The grave mistakes of the "cultural revolution", in particular, caused a serious setback and we learned a bitter lesson.

Since the reform and opening-up drive in the late 1970s, we summed up both positive and negative historical experiences, and have been marching into a new period in building China's socialist political democracy and ever improving the people's congress system.

or ethnic township level is elected for a term of two years.

There are 12 major functions for the people's congress at township or ethnic township level. For the ethnic townships, their people's congress is entitled to take measures suitable to the specific situation there.

The people's congresses at township and ethnic township levels meet once every three months. The ad hoc sessions of the people's congress may be convened at any time the people's commission deems it necessary or when more than one-fifth of the deputies so propose.

The newly-established township authorities actively carried out work, playing a significant role in consolidating the new-born people's democratic authority, building people's democracy, and pushing forward the socialist revolution and construction.

Detours and setbacks (1958-1978)

In 1958, as impacted by the "leftist" thinking, the campaign of Great Leap Forward swept over the country, with villages rushed headlong to build people's communes. In August that year, the CPC Central Committee passed a resolution on building people's communes, saying that "the agricultural production cooperatives, either those of dozens or hundreds of households, cannot meet the requirements of the times. Under the current situation the guiding principle is to establish people's communes which strike a balance among agriculture, forestry, animal husbandry, sideline production

and fishing, to unite workers, farmers, businessmen, students and soldiers together, and to accelerate socialist construction and transit into communist society." The committee of the CPC and that of the people's commune are equalized, so does the people's commission. The whole nation started replacing the township with either a two-leveled people's commune with production team or a three-leveled people's commune with production brigade and production team. Accordingly, the people's congress of township was replaced by commissions of people's commune, production brigade and production team.

In September 1962, the 10th plenary session of 8th CPC Central Committee passed the draft amendment of the working rules of rural people's communes, stipulating that the representatives of the commission of the people's commune are those of the township people's congress, who should meet in regular session, at least twice a year. As the function and the power of the commission are not prescribed, the commission is an organ of local power but charged with merely production management not with a full scope of grassroots power as it shall be.

In 1966, the "cultural revolution" broke out. The revolutionary committee replaced all existing forms of grassroots power structures, concentrating Party, administrative, military, judicial and procuratorial power into one. The commission of people's commune which played an ever weaker role would barely cease to function.

In January 1975, the first session of the 4th NPC was convened. The deputies were recommended through democratic consultation by revolutionary committees of various provinces, municipalities, autonomous regions as



On September 21, 1954, people in Beijing gather at the Tian'anmen Square, celebrating the birth of the Constitution of the People's Republic of China. This constitution specifies that all powers of State belong to people, which defines the power of people as masters of the country. *Xinhua*

well as the armed forces. Some were appointed or especially invited. The session passed the revised Constitution, legally recognizing the organization of people's commune, providing that people's congress should be established under rural people's communes and township authority for a term of two years; the local revolutionary committees at various levels are the permanent bodies of local people's congresses at the same level, also exercising the function as local people's governments. At the same time, the function of national people's congress and its standing committee is limited, some even cancelled.

The "cultural revolution" which lasted for ten years severely damaged the people's congress system, and made the society lawless.

Recovery and reconstruction (1978-1985)

In February 1978, the first session of the 5th NPC passed another revised Constitution. According to the Constitution, the people's congress and the revolutionary committee should be established under people's commune and township authority; the people's congress and the revolutionary committee of the people's communes are both the organs of grassroots political power and the leading organization for collective economy; the revolutionary committees of people's commune and township authority are executive organs of the people's congress at the same level; the people's congresses of people's commune and township are elected for a term of two years, meet at least once a year convened by the revolutionary committee at the same level; the representatives are directly elected by secret ballot after preliminary democratic consultation.

In December 1978, the 3rd Plenary Session of the 11th CPC Central Committee made a historical decision that the Party and the State should shift the focus to economic development and carry out the policy of reform and



From June 8 to July 1, 1979, the 2nd Session of the 5th National People's Congress is held in Beijing. It is this meeting that approves seven important laws including Organic Law of the Local People's Congresses and Local People's Governments of the People's Republic of China, Electoral Law of the National People's Congress and Local People's Congresses of the People's Republic of China. This photo shows Peng Zhen participating in the deliberation of the law drafts together with deputies. Zhang Guiyu

opening-up. The session also presented the policy of developing socialist democracy and improving the socialist legal system. This heralded that the people's congress system would enter a brand new phase of development. In July 1979, the 2nd session of the 5th NPC passed the resolution on several rules about the revision of the Constitution, which replaced the revolutionary committee by people's government; people's congress and people's government shall be established at the township level; people's congress and management committee shall be established under that people's commune; the people's congress of people's commune and the township shall be convened respectively by the management committee and the people's government. This session also passed the new Election Law and the Organic Law of the Local People's Congresses and Local People's Governments, making major revision on local organization of political power and election system. According to the new laws, standing committee shall be established for the people's congress at county level and above; the direct election of deputies to the people's congress shall be extended to as high as the county level; competitive election rather than equal-number election shall be in place.

Since then, the people's congresses at various levels started the full recovery at the destroyed system.

In December 1982, the 5th session of the 5th NPC further revised Constitution and adopted it. The election law and local organic law were revised correspondingly. According to the new laws, people's communes were revoked; instead, the people's congress and the people's government shall be established at the township and the ethnic township level; also, the term of office of the township people's congress is extended from two years to three years.

In order to address the irregularities occurred in direct elections at county and township levels, the 26th session of the 5th NPC Standing Committee passed several rules in March 1983, and the 2nd session of the 6th NPC Standing Committee made the decision in September of the same year on the timing of elections at the county and township levels. Election of township-level people's congress was held across the country and completed by the end of 1984 except a few townships in Tibet Autonomous Region. By the end of 1985, people's congresses had been established in more than 92,000 townships, marking a new starting point for building political power at township level.

Development and improvement (1986 - present)

Since 1986, the NPC and its Standing Committee have revised the election law for four times, the local organic law for three times, also formulated and revised the law on deputies to people's congress. At the same time, local people's congresses and their standing committees revised a large number of local laws and regulation documents regarding organization, election and deputy affairs. Having the constitutional provisions, laws and local regulations in place, the legal system for township political power building has been further improved. The following six major improvements are worthy mentioning.

Term of office. To better coordinate the elections of the various levels and guide the economic and social development, the NPC and its Standing Committee revised the Constitution and the local organic law in 2004, extending the term of the office of township people's congress from three years to five years, thus making in unison tenure of people's congresses at all levels.

Presidium. Before 1986, the presidium of the township people's congress only worked when the congress was in session. To make it play a bigger role, some articles regarding the presidium in the local organic law were also revised in 1986. The first was that the session of people's congress is called by the presidium rather than the local people's government of the same level. The second was that the presidium is responsible for the referral of suggestions, criticisms and advices proposed by the people's congress to competent departments, and to which

competent departments shall reply. This change actually expands the functions of the presidium when not in session. The local people's congress and its standing committee revised the local regulations accordingly, specifying the formation and function of the presidium of township people's congress. Members of the presidium shall meet at least once in three month in some regions as provided by laws.

Chairman and Vice-Chairman of township people's congress. In 1986, the local organic law as revised didn't specify the responsibility of Chairman and Vice-Chairman of township people's congress. When again revised in 1995, the law added the following provisions to reflect local conditions and practices.

The township people's congress shall elect among the deputies a chairman and one or two vice chairmen to a term of office same as that of the congress.

The Chairman and Vice-Chairmen shall not hold office in any of the ad-



Elections of deputies at county and township levels begin in Beijing in the year of 1987. This photo shows staffs putting up name list of candidates in Dafangjia Hutong electoral area of Chaoyangmen Street of Beijing. *Xinhua*



On November 9, 1998, people participate the election of deputies at townships in the Xinjiang Uygur Autonomous Region. Villagers of all ethnic minorities from Awati Village, Yuli County learn the Electoral Law carefully. Allison M (R), a Uygur farmer said, "Deputies voice our voices. I will cast a right vote." Shen Qiao

ministrative organs. If so, they shall submit the resignation to the people's congress which elects them.

The Chairman and Vice-Chairmen are responsible for contacting with the deputies to the people's congress of the same level. When the people's congress is not in session, they shall organize activities for the deputies, and bring attention of the people's govern-

ment of the same level to suggestions, criticisms and advices of the deputies and the general public.

The Chairman and Vice-Chairmen of the township people's congress are members of the presidium.

Then, the standing committees of provincial people's congresses respectively introduced and revised local regulations on township people's con-

gress system. Working organs were set up and professional staffs recruited.

Deputy election system. When the Electoral Law was revised in 1986, the procedures and rules of deputy election were better specified.

The Standing Committees of people's congresses of provinces, municipalities, autonomous regions, cities divided into districts and autonomous prefectures shall provide guidance the deputy election below county level. The composition of township election commission is appointed by the Standing Committee of county-level people's congress.

The candidate recommendation system shall improve. Ten voters can jointly recommend a candidate.

The number of candidates shall be from one third rather than half more than to double the number to be elected. In addition, if the candidates are more than twice the elected number and voters fail to reach a consensus, primary election shall be held.

An article is added in the revised version that the election commission can meet with the voters and take their questions as requested.

Upon election polling booths are provided for voters to write ballot. There are also specific requirements about polling stations and ballot boxes or mobile ballot boxes.



On January 23, 2011, a democratic consultation is held in Zeguo town of Wenling City in Zhejiang Province. Attendants take primary review on a 3-year action plan after this town becomes one of the pilot places for building small cities in Zhejiang Province. They also review the major programs of public budget of 2011. This photo shows that Mu Yifei, host of this meeting exchanging views with attendants over the opinion poll. Han Chuanhao

分乡普溪人大代表小组代

姓名	性别	年龄	住址(单位)及职务	代表类别
高平	女	51	普溪河村治调委员	区人大代表
王明清	男	53	分乡场村治调委员	区人大代表
赵毅	男	41	镇党委书记、主任	区人大代表
杨正刚	男	54	分乡场村二组村民	镇人大代表
杨宇森	男	53	分乡场村八组村民	镇人大代表
	男	45	分乡场村三组村民	镇人大代表
	男	52	分乡场村计生委员	镇人大代表
	男	22	分乡场村计生委员	镇人大代表

On June 16, 2011, staffs serving deputies at town and township levels of Yichang City of Hubei Province review the deputies' work. CFP

In addition, there are other adjustments on quota allocation, dismissal, resignation and the by-election.

Competitive elections of administrative organs of the same level. According to the local organic law passed in 1979, the candidates nominated for the leadership of the State organs shall be more than the number to be elected, and there was no specific provision on competitive elections. In order to make the process more democratic, when the local organic law was revised in 1986, it clearly stipulated that competitive election shall be applied to election of State organs of various levels. To put it specific, for the election of the principle leader, the number of candidates shall be at least one more than the number to be elected, but if there is only one nominee, then equal number election is acceptable; for the election of deputy position, the number of the candidates shall be one to three more than the elected number; when the elected is fewer than to be elected, the additional election shall be held, and the additional election of deputy position shall be competitive; if the number of candidates exceeds the allowed proportion, the presidium shall hold discussion and preliminary election according to the order of which the list of candidates is finally determined.

The by-election for the principle and the deputy can be done not in a competitive way.

Support the township deputies to perform their duties. As the system of people's congress develops, it is increasingly required to have a specific law to support, standardize and safeguard the township deputies to perform their duties. In 1992, the 5th session of the 7th NPC passed the Law on the Deputies to the NPC, and in 2010, the Standing Committee of the 11th NPC revised the law. According to the new law, the deputies have the right, during the sessions of the Congress, to submit bills, enquiries and proposals and to vote. At the same time, they shall play an exemplary role in abiding by the Constitution and other laws, attending the Congress on time, participating in the deputy-related activities, learning how to better perform the duty, and maintaining close contact with their electoral units and with the people.

When the congress is not in session, the deputies shall carry out activities in groups, keep contact with the voters, and reflect their suggestions and requests.

The budget of deputies' activities is included in the whole fiscal budget of the respective level. The unit which elects the deputy shall guarantee

that the deputy participate in related activities when the congress is not in session; the deputies to the township people's congress can participate in training courses organized by the standing committee of the people's congress of the next higher level.

The deputies shall spare no effort to collect the suggestions from and report the performance of duty to the people, and not seek personal interests with the power of being a deputy.

Thanks to the enactment and implementation of the Law on Deputies, the performance of deputies to the township people's congress is supported and guaranteed, the sense of responsibility of the deputies increased and their initiatives of performing duties enhanced.

Along with China's development and progress, the scope of grassroots democracy in urban and rural areas has been expanding continuously. People's congresses at county and township levels have witnessed further development and improvement. The Chinese people directly exercise their legal rights of democratic election, democratic decision-making, democratic management and democratic supervision through grassroots legislatures. This has become the most direct and broadest practice of democracy in China today. (NPC) ■



On April 11, 2012, a new team of officers from local people's congress and government of Dafengying township of Sheqi County of Henan Province attend the ceremony celebrating the establishment of this township. Song Tongjie



Another milestone of China's environment legislation

In order to echo the public concern, the Standing Committee of the National People's Congress (NPC) passed the newly revised Environmental Protection Law on April 24 with 151 votes for, 3 against and 5 abstentions. President Xi Jinping signed the No. 9 Presidential Order to promulgate the revised Environmental Protection Law which will be brought into effect on January 1, 2015.

The new law, which now has 70 articles as compared with 47 in the old one, has gone through four examinations and repeated improvement, and thus reflected new requirements in the development of ecological civilization. New provisions are added to reinforce the accountabilities and penalties for the government, enterprises and the public. It is the most stringent ever Environment Protection Law in China's history.



Students of Xuebuqiao Primary School of Handan in Hebei Province launch a promotional activity for the Earth Day on April 21, 2014. The theme of the promotion is "Protect the Earth and Build a Better Homeland". CFP

First attempt in 1979: forward-looking and vision

Before the first Environmental Protection Law (for Trial Implementation) was enforced in 1979, there was no single environment-related legislation in China. Therefore, the introduction of this law was a groundbreaking event in the legal history of New China.

The year 1979 marked a new beginning in China's legal history. The Third Plenum of the 11th CPC Central Committee dismissed the haze of the "cultural revolution". In the same year, seven laws including Criminal Law, Criminal Procedural Law and Election Law were introduced. The first environment legislation was born in the same year. On September 13, the Environmental Protection Law (to be implemented on trial basis) was passed in principle by the Standing Committee of the 5th NPC.

Many controversies emerged in the process of examination. Many people believed that the country was then at the starting point of reform and the prime task was to get rid of poverty and develop its economy. The conditions were not suitable to introduce this legislation. Thanks to Peng Zhen, then in charge of NPC's legislative work, who rose up among the controversies and stood firmly on the side to introduce the Environmental Protection Law in time, the basic tone was set as "better to have it than none". "In that circumstance, Peng's guiding thoughts and concepts had great vision and

The 1989 law stipulated more comprehensive and explicit provisions regarding environmental protection.

were quite forward-looking," said Zhou Ke, director of Environment and Resources Law Research Center with the Law School of Renmin University of China, "In the late 1970s, very few countries in the world introduced legislation on environmental protection. It was quite forward-looking for China to do so. The target was to avoid the old model of 'treatment after pollution' experienced by the Western countries."

With the transition of China's economic model from the original highly centralized command economy to the socialist market economy, the law on trial implementation could hardly keep up with the changing situation. In 1982, the NPC Standing Committee incorporated the formulation of Environmental Protection Law into the annual legislative plan. Seven years later, the Environmental Protection Law was passed in the 11th meeting of the Standing Committee of the 7th NPC on December 2, 1989. The law was formally enforced after 10 years of implementation on a trial basis.

The 1989 version stipulated more comprehensive and explicit provisions regarding environmental protection. A series of important systems were clearly introduced including legal responsibilities, environmental monitoring, planning, standardizing and treatment within a prescribed limit of time. "In effect, the legislation in 1989 was a necessary preparation as Chinese economy was about to enter a fast-growing cycle." Zhou Ke said. Soon after the law was introduced, Deng Xiaoping made his famous speech when inspecting the South and Chinese economy was ushered in a new era.

First major revision in two decades

Since it was implemented on a trial basis in 1979, the Environmental Protection Law has been moving forward hand in hand with the reform and opening up policy. Faced with new environment situations, many stipulations in the law were regarded as inefficient, outdated in concept, lack of feasibility and not strong enough in enforcement. In short, the law needed to be adjusted to the change of times. There was increasing aspiration from the public to revise the law. From 1995 to 2012, more than 2,400 deputies to the NPC submitted 78 proposals to revise it.

In 2011, the revision of the Environmental Protection Law was listed in the annual legislative plan of the NPC Standing Committee. The first draft submitted by the Environment and Resources Conservation Committee went through four examinations respectively in October 2012, June 2013, October 2013 and April 2014. Chairman Zhang Dejiang and Vice Chairperson Shen Yueyue made inspection tours to the grassroots so as to solicit opinions from the general public.

The Law Committee and the Legislative Affairs Commission conducted in-depth research on environmental issues and listened to the opinions from all social stratus. A scientific and democratic approach was taken to ensure a high quality of the legislation.

From 'Amendment' to 'Revision'

According to the established practices, minor changes to laws are called "Amendment" while the comprehensive ones are called "Revision". During the first and second examinations, the NPC still applied the method of "Draft Amendment". In October 2013, when the draft was submitted for examination for the third time, the heading was turned into "Draft Revision of the Environmental Protection Law".

As the draft was disclosed to the public for suggestions upon the first examination, the draft amendment was submitted to the 3rd meeting of the NPC Standing Committee for further deliberation. During the second examination, members of the Standing Committee expressed their deep worries about the grave situation of pollution. In the mean time, they consented that mighty legislative support should be provided to reverse the negative trend. Till that time, it had become the mainstream voice in the society to conduct a comprehensive "Revision" on the existing Environmental Protection Law.

Yin Zhongqing, member of NPC Standing Committee, said that according to the provisions in the Legislation Law and established practices, amendments normally refer to changes at a small scale which do not involve increment or deletion of many articles as well as changes in sequence. However, if you compare the second draft with the existing law, more than 40 articles were subject to changes. It was not a small repair, but a big one. Therefore, Yin was inclined to adopt the approach of "Revision".

NPC deputy Lü Zhongmei, president of Hubei School of Economics, had been invited to the legislative symposiums organized by NPC as she sponsored proposals to revise the Environmental Protection Law for several consecutive years. In her eyes, the current law was not powerful enough as its feasibility and applicability was widely questioned by the public since its implementation. If the law wanted to offer the strictest systematic guarantee to the social progress, a comprehensive revision had to be made.

As members of the Standing Committee and all walks of life called for a big repair, an adjustment was made in the third examination. The draft amendment was turned into a draft revision, which meant that public opinions had changed a small repair into a "surgery". From "Amendment" to "Revision", one word difference led to a complete change in the legislative thinking.

Disclose the second draft to the public: a new practice

To ensure the quality of revision, the NPC disclosed the second draft to the public to solicit opinions and suggestions for the first time in its history.

In late August 2012, after the Standing Committee of the 11th NPC finished the first examination, the draft was disclosed to the public for open discussion. Within a month, the NPC received 11,748 suggestions made by 9,572 netizens.





Despite the fast growing number of cars, government still supports the development of public bicycles. This photo shows the bicycles for renting in Beijing on January 15, 2014. CFP

In June 2013, the Standing Committee of the 12th NPC conducted the second examination on the draft. From July 19 to August 18, the second draft was disclosed to the public for suggestions. Altogether 822 people made 2,434 suggestions during the 10 days.

"This process is exactly the one in which the public participated in," said a leading official with the NPC Legislative Affairs Commission. When the first draft was disclosed to the public, suggestions were mainly about the direction and basic system of the Environmental Protection Law. When the second draft was disclosed for discussion, suggestions were much more specific, mainly covering issues of public prosecution, environmental evaluation mechanism and obligations of various entities.

Four examinations to echo public aspirations

Normally, a bill is put to vote after 3 examinations. However, 4 examinations were conducted on the Environmental Protection Law to better incorporate social wisdom and echo social concerns.

During the examinations, members of the Standing Committee strongly appealed that tough measures should be adopted to protect the environment and the strictest environmental protection law in China should be promulgated based on the principle that the law can be specific and clear at its maximum. Without this determination, environmental challenges can never be tackled. Some members even said that "the law has to be high-quality, deterrent and enforceable with iron teeth".

Xin Chunying, vice chairperson of NPC Legislative Affairs Commission, said that in the two years since the first examination of the Environmental Protection Law, the NPC has listened to the voices from all social stratum and made targeted responses to the questions that the public are most concerned with.

For instance, many people pay greater attention to the revision process of the articles regarding public prosecution. After successive revisions, they feel that the sphere of public prosecution is much wider and there are now more ways for



On September 12, 2013, an educational activity titled "To protect environment, one should start from garbage classification" is held in a kindergarten by Cuitingyuan community of Hefei, the capital of Anhui Province. A teacher tells children the harm of garbage, how to distinguish different types of garbage and how to put garbage into the right dustbin. Du Yu

the public to participate in environmental protection.

To intensify penalty is another example. In the second draft, the provision of "impose penalty by day" was stipulated. This is a breakthrough and also general practice in many countries. In addition, there are new articles providing that relevant authorities can detain those who are held accountable for forging fake data and disposing waste in a secret manner. More importantly, the environmental protection organs are granted with the power of confiscation and detention.

The most eye-catching stipulation in the newly revised law is the defining of the "eco-protection redline", explicitly providing that the State sets up the red line and exercises strict protection in key ecological functional areas and other areas where the eco-system is sensitive and fragile.

Recently, the thick haze has hit almost the entire country. It is one of the public focuses whether the newly revised law can be helpful to address the challenge of atmospheric pollution. To that end, the law has formulated more targeted provisions to treat air pollution.

Consensus reached amid 'pre-introduction assessment'

Revision of the Environmental Protection Law continued to adopt the "pre-introduction assessment" mechanism innovated by the Standing Committee of the 12th NPC. On April 11, the Legislative Affairs Commission held the assessment symposium, inviting NPC deputies, enforcement authorities, experts, lawyers, judges, business representatives, environmental protection organizations and volunteers to contribute their thoughts. By doing so, the NPC attempts to conduct a comprehensive evaluation on the timing of introduction, social impact, feasibility and sensibility of legal items so that the high quality of legislation can be ensured.

"The draft has gone through three examinations which make the system better improved and provisions in a more detailed way. It is necessary and appropriate to introduce the law as it is highly enforceable," said Lü Zhongmei and Wu Qing, deputies to the NPC who attended the symposium. (NPC) ■

“Iron fist” to curb pollution

A bulletin on the first-ever nation-wide soil pollution investigation, released by the Ministry of Environmental Protection and the Ministry of Land and Resources, shows the overall rate of the soil above the pollution benchmark is 16.1 percent, among which slightly polluted 11.2 percent, lightly polluted 2.3 percent, moderately polluted 1.5 percent and severely polluted 1.1 percent. Near 3 percent of the soil of arable land is moderately or severely polluted. It is definitely not a rosy picture.

It must be faced squarely. The public expected that the Environmental Protection Law could be revised in the way that polluters would bear much heavier legal liabilities, polluting acts would be vigorously curbed, and penalties would be toughened.

“A law is enacted, but no one is afraid of. There is an environmental protection law in place, but polluters have their own counter measures, so the law is dangling in the air. Pollutions carry on, and penalties are ensued, but too light to hurt polluters. Profits far outweigh penalties, so polluters are hardly afraid of the law, let alone abide by it.” Ji Bingxuan, vice chairman of NPC Standing Committee vividly put it.

The current environmental pollution has reached to an alarming extent and the revised measure shall be severe enough to deter polluters, stressed the vice chairman Ji.

Daily aggregated penalty without ceiling

“The daily environmental cost for a 100,000-kilowatt generator is around 500,000 to 600,000 yuan. If the environmental protection equipment is not run, the penalty thereof is 10,000 yuan. Everyone can do the math”, said Xin Chunying, vice chairperson of the Legislative Affairs Commission of the NPC.

She found out during her investigation trip that the major cause for a company to pollute is that the cost of abiding by the law is more dearly than that of breaking the law. Such examples are commonly seen. The Tuo River pollution incident, for example, cost hundreds of millions yuan, while the villain company was fined 1 million yuan.

The articles on penalties added to the new Environmental Protection Law are welcomed. According to the Law, if an entity emitting pollutants is fined but refuses to rectify, the competent administrative organ shall fine the entity in a daily aggregated way based

on the original penalty starting from the day the entity receives the notice to rectify.

Daily aggregated penalty without ceiling, a common practice in many countries, is applied in some localities in China. In Chongqing, for example, from 2007 when “daily aggregated penalty without ceiling” was applied, 69 cases have been conducted with the highest penalty reaching 30 million yuan. The rectifying rate for polluters has jumped from less than 4 percent to over 90 percent currently.

According to the Law, the penalty base for “daily aggregated penalty without ceiling” shall be calculated on “the operational cost of pollution-preventing equipment set by the relevant laws and regulations, the direct loss caused by the polluting acts or the benefits accrued to the polluter illegally.” The local regulations are allowed to expand the scope of the polluting acts applying with “daily aggregated penalty without ceiling.”

That “daily aggregated penalty without ceiling” demonstrates the State strong will to curb pollution. “It



provides a legal framework. When revising other laws and regulations, rules on penalties should be designed under such a framework. So the revision of the Environmental Protection Law is a major move and it will have a significant positive impact on the future environment protection,” said Xin.

Both responsible entities and individuals punished

Before the revision, paying the fine was actually a solution to many environmental polluting accidents. According to the new Law, those entities which exceed the emitting standard will be forced to cut down or close its production for rectification. If it causes severe consequence, the entity shall stop its production and be shut down so decided by the competent government.

If an entity which fails to submit the assessment document of construction projects' impact on environment or starts the construction before the approval, the competent administrative

organ shall demand the entity to stop the construction, to issue a fine, and to restore what it was.

“Environmental penalties shall not be limited to giving out fines. In severe cases, legal liabilities including fines, detention or prison sentences shall be borne by those individuals such as the head of a polluting unit or those directly responsible.” Xu Rongchun, deputy to NPC suggested when he participated in deliberations of the revised law.

The entities discharging pollutants, according to the new Law, shall establish an accountability system for environmental protection and make clear the responsibility of the head of the entity and relevant personnel. If the unit causes damage to the environment, those people mentioned above shall bear the tort liability according to the Tort Liability Law, and if the polluting act constitutes a crime, those people shall be investigated for criminal responsibility.

Forgery-committing party to bear related liabilities

Environmental impact assessment is one of the prerequisites for constructing a project. According to the new Law, environmental impact assessment shall be conducted when formulating development and exploration plans and constructing projects which have impact on the environment. If units fail to do so, the planning shall not be implemented and the construction projects not be started.

Although the system of environmental impact assessment is widely endorsed, people are concerned about how to be conducted in a scientific, rational and impartial way.

In practice, there indeed exist forged EIA reports issued by environmental impact assessment agencies. For many deputies to NPC, it is necessary to regulate those agencies and their personnel to issue EIA reports based on facts. In addition to environmental impact assessment agencies, the third party agencies including environmental monitoring agencies, agencies and entities responsible for pollution-prevention facilities maintenance

and operation, should be incorporated into the regulating framework.

According to the Law, those third party agencies shall bear related liabilities when they commit forgery and contribute to the environmental pollution. In order to strengthen the public oversight, “black-list” will be established according to the Law. Information relating to polluters’ acts of breaching the Law will be kept in record and released to the public.

Enterprises are the parties affected most directly by the revised Environmental Protection Law. But when asked about whether feeling much more pres-

sure than before, Zhang Zhiguo from Taiyuan Steel Group gave an unexpected answer. “Environmental protection needs heavy investment. As a matter of fact, China’s environmental protection technology is not inferior to foreign ones. The key point is the willingness to invest. Enterprises like us have attached great importance to upgrading technologies and reducing emission. A stricter environmental protection law is good news since those enterprises once with low cost and high pollution are now in the same playing ground. And our advantages matter now”. (NPC)



Top: The polluted water directly drains into Fenhe River in Shanxi Province in May, 2006. Gao Jiarong
Above: Photo shows people doing exercises along Fenhe River of Taiyuan City in Shanxi Province. After treatment, the Taiyuan section of Fenhe River has become a green corridor. Yan Yan

Dereliction of duty unacceptable

The newly revised Environmental Protection Law has established a set of rules to ensure governments at different levels work hard to fulfill their responsibilities.

Early warning and timely response to contingencies prioritized

The doctrine of protection and prevention, set by the current Environmental Protection Law, has been well-received in society. Many members of NPC Standing Committee and deputies to NPC hold that the efforts to prevent environmental pollution should be further strengthened.

The existing rules of early warning and monitoring are implemented by a wide range of different governmental departments, such as departments of environmental protection, land resources and water resources, etc. According to the Law, a unified system of warning and monitoring shall be established, by which rules and regulations on monitoring shall be formulated by the competent departments of the State Council, the monitoring network be organized by the competent and relevant departments, national environmental quality monitoring stations and spots be planned and constructed in a unified way, and the monitoring statistical sharing mechanism be set up. Also, the central and provincial governments shall organize relevant departments or entrust other specialized agencies to investigate and evaluate the environmental conditions, and set up an early warning and monitoring system for the bearing capacity of the environment and natural resources.

The aim of monitoring is to ensure

a timely response to environmental accidents and reduce the damage thereof as much as possible. Qian Fangli, member of NPC Financial and Economic Affairs Committee, suggested that those compulsory contingency measures, including demanding the polluter to reduce or stop pollution, should be taken immediately if a major pollution accident causes large-scale environmental quality deterioration and severely harms people's health.

This suggestion was incorporated into the Law. It stipulates that the governments at county or higher levels shall set up a public monitoring and early warning system for environmental pollution, formulate contingency plans, release the early warning messages timely and start implementing the contingency measures in case a pollution accident happens. After the contingency measures are implemented, the governments shall evaluate the damage caused by the pollution accident immediately and release the evaluation results to the public timely. The enterprises and institutions shall formulate contingency plans, report such plans to the government for record, take measures immediately in case of an environmental accident, notify the neighborhoods and residents who could be affected, and report to the competent governmental department and other relevant authorities.

No emitting without permission

As one of the applause-winning characteristics of the Law, some proven policies have been transformed into the legal code. According to Article 44 of the Law, if a locality fails to meet the indicators of the national gross control of major pollutants or achieve



On February 18, 2014, staffs of the Environmental Protection Bureau are conducting emission test on an operation boiler. On that morning, Beijing municipal environment inspection team pays random visits and inspections to those enterprises that suffer penalties due to heavy pollution. Jin Shuo

the national environmental quality goals, the environmental protection authorities of the central government and provincial governments shall suspend the approval of environmental impact assessment documents of new construction projects submitted from such a locality. The national gross control of major pollutants has been a governmental policy since the late 20th century and proven an important measure for environmental protection.

Based on the implementation of the system of emission permits set by the Law on Prevention and Control of Water Pollution and the Law on Prevention and Control of Atmospheric Pollution and practices of some localities, the system of the emission permits has been incorporated into the Law. It stipulates that a business or institution governed by the system of the emission permits shall discharge pollutants in accordance with the permit issued. Emission without permission is forbidden.

The regulatory agencies empowered

The authority and power of the environmental regulatory agencies at



On June 6, 2014, law enforcement officers with Neixiang county Environment Protection Bureau in Henan Province are monitoring noise index in a construction site. Zhang Zhongli

different levels are clarified by the new Law. It stipulates that the environmental watchdog at a county or a higher level has the right to make an on-site inspection to businesses and institutions that emit pollutants. The unit inspected shall tell the truth and provide necessary documents. If the unit illegally emits pollutants which cause or will cause severe pollution, the environmental watchdog has the right to take the unit into custody or seize its polluting facilities and equipment.

Currently, the environmental regulatory agencies do not have the power to perform such compulsory measures as freezing, attachment, seizure and confiscation. According to many deputies, the new Law authorizes the regulatory agencies to perform such compulsory measures and thus greatly improve their work efficiency. It also can facilitate the public security organs to collect evidence when the criminal liabilities are investigated.

The regulators being supervised

“People are not satisfied with the

current environmental conditions. Much of the problem is caused by weak enforcement. We see that many environmental pollution cases result from the failure of some local governments to enforce the rules forcefully,” said Lang Sheng, member of NPC Standing Committee.

A set of rules are added to the Law to prevent and punish weak enforcement and negligence of duties. For example, accountability for environmental protection objectives and the performance assessment system are established, by which the fulfillment of the environmental protection objectives will be an important criteria for evaluating the performance of the relevant authorities and their leadership.

The supervision by the people’s congresses is strengthened. The Law stipulates that each year the governments at county or higher levels shall report the environmental conditions and the fulfillment of environmental protection goals to the local people’s congresses or their standing committees. It also has the duty to report major environmental accidents to the standing committees of the local congresses and receive their supervision.

The public supervision mechanism is set up. The Law stipulates that citizens, legal persons or other organizations have the right to report the negligence of duties of environmental protection authorities to their higher organ or organs responsible for supervision and inspection.

Meanwhile, stricter legal liabilities are clarified. If a law enforcement agency fails to perform its duty or violates the Law, those people who are directly responsible will be disciplined accordingly or are dealt with according to law. If severe consequences are caused, those people who are directly responsible will be dismissed from their positions or fired, and the chief shall resign.

To ensure the regulatory agencies to perform their duties diligently, the Law also strengthens the supervision by the government and its environmental protection authority to their counterparts at a lower level.

Wang Jin, professor of Peking University, said that the revised Environmental Protection Law helped to break the vicious cycle of weak enforcement and would ensure the environmental legal enforcement no longer as a slogan. (NPC)



CFP

NPC review and approval of 2013 final account

The 9th session of the Standing Committee of the 12th National People's Congress (NPC) heard a report on the central government's final account in 2013 on June 24. The session took a decision to approve the central government's final account in 2013 on June 27 after deliberations.

'The 2013 Budget implemented successfully'

The State Council submitted four budget books to the 2013 annual session of NPC, namely the public finance budget, budget for government-managed funds, budget for State capital operations and budget for national social insurance funds, all of which have been thoroughly reviewed by NPC for the first time. Finance Minister Lou Jiwei made the report to the 9th session of the Standing Committee of the 12th

NPC on the central government's final account, providing the accounting information of these budgets.

"All fiscal work has been carried out in an orderly way and the central government final accounts are generally good," Lou commented. According to him, in 2013 the central government's public revenue amounted to 6.019848 trillion yuan, 100.2 percent of the budgeted figure and an increase of 7.2 percent over the year of 2012 (here and below). The central government's public expenditure amounted to 6.849168 trillion yuan, 98.5 percent of the budget figure and an increase of 6.8 percent. Total expenditure of the central government exceeded total revenue, leaving a deficit of 850 billion yuan, the same as the budgeted figure. The outstanding balance on government bonds in the central budget was 8.674691 trillion yuan at the end of 2013, which was under the budgeted limit of 9.120835

trillion yuan for the year. As for the revenue accounting, central government revenue exceeded the budgeted figure by 13.848 billion yuan, whereas the increase rate of the revenue dropped by 2.2 percent over 2012.

In 2013, receipts of central government-managed funds totaled 423.8 billion yuan, 117.1 percent of the budgeted figure. Adding 1.3 billion yuan turned over by local governments and 83.5 billion yuan carried forward from 2012, revenue of central government-managed funds totaled 508.6 billion yuan in 2013. Outlays of central government-managed funds totaled 417.9 billion yuan, 95 percent of the budgeted figure, with 90.7 billion yuan rolled over into this year.

Revenue from the central government's State capital operations reached 105.8 billion yuan, 104.7 percent of the budgeted figure. Adding 7.2 billion yuan carried over from 2012, revenue in 2013 totaled 113 billion yuan. Expenditure financed by State capital operations came to 97.8 billion yuan, 90.3 percent of the budgeted figure, with 15.2 billion yuan rolled over into this year.

Lou Jiwei specifically pointed out that considering an obvious drop in central government revenue increase during the first several months of 2013, the central government cut regular spending by 5 percent. It is worth noting that "the three public expenses" have decreased substantially. In 2013, all departments under the central government reduced and cancelled a few official overseas trips, tightened control over official cars and further streamlined and regulated official receptions to reduce administrative costs. The three public expenses of administrative entities and public institutions under the central government totaled 7.015 billion yuan, 0.954 billion yuan less than the budgeted figure.

To fulfill administrative duties and maintain the operation, the administrative expenditure of the administrative bodies under the central government (including public institutions run referring to the Civil Servant Law) amounted to 104.794 billion, an increase of 1.9 percent over last year. Lou explained that railway public security received more public funds from central government than 2012, resulting in an increase of expenditure.

Financial supervision is an important aspect of the NPC supervision work. Before submitting the 2013 central government's draft final account to NPC Standing Committee, the Budgetary Affairs Commission of NPC Standing Committee and NPC Financial and Economic Affairs Committee conducted preliminary examination on the draft. Financial and Economic Affairs Committee deemed that the implementation of the central government's budget showed in the draft was good. The State Council and its financial departments have carefully implemented the guiding principle and policies of the CPC Central Committee and relevant decisions of the 1st session of the 12th NPC, and continued to follow the proactive fiscal policy. As financial revenue covered the budget and financial expenditure ensured the funding for important services, all fiscal work has been carried out in an orderly way, meaning the 2013 budget approved by NPC has been successfully implemented.

"As the year 2013 witnessed unfavorable environment in the global economy, China's economy was facing tremendous and constant downward pressure. Under this circumstance, the financial economy still maintained smooth performance, which is very difficult to accomplish and should be fully

Fiscal and tax policy has played a significant role in adjusting economic structure and promoting economic transition and upgrade.

recognized." Most members including Liu Zhenlai gave full acknowledgement to the fiscal work of last year and consented to the 2013 central government's final account draft.

Economic structural adjustments promoted effectively

In his report, Lou told members of NPC Standing Committee that within the last year we further extended the scope of the pilot project on replacing business tax with VAT, rescinded or exempted 348 administrative charges, and lightened the burden on enterprises by 150 billion yuan. We temporarily exempted some small and micro enterprises from VAT and business tax, which benefited more than 6 million small and micro enterprises.

Furthermore, we expanded the scope of the pre-tax deduction of enterprise research and development expenses and newly added deductions like five insurances and one fund for research and development personnel.

Fiscal and tax policy has played a significant role in adjusting economic structure and promoting economic transition and upgrade. Last year we supported deepening reform on science and technology system, optimized and integrated central government spending on science and technology projects, improved the pilot policy of national independent innovation demonstration zone, and promoted innovation-driven development. We supported to resolve the overcapacity and pushed ahead to speed up the development of strategic emerging industries. We supported to control air pollution and continued to help construct urban sewage treatment facilities and sewer network. We strengthened the ecological environment protection in watersheds of rivers, lakes and reservoirs as well as disaster control of flood, waterlogged and drought.

Lou Jiwei introduced that the central government advanced system construction in areas related to people's livelihood and focused on improving people's livelihood. He said, "Consider-



The 9th Session of the 12th National People's Congress holds its second plenary meeting at the Great Hall of the People on June 24, 2014. Sheng Jiapeng



A discipline inspection group of Lian Jiang County of Fujian Province checks original bills of official receptions held in a hotel on May 13, 2014. The same day, the Disciplinary Commission of Lian Jiang County organize officials from the finance, auditing, taxation departments of the local government and sent four inspection groups to the county, towns and townships as well as hotels. They launch comprehensive inspections on official receptions held since the Labor Day so as to prevent excessive expenditures on official receptions from happening again after festivals and conscientiously implement the Eight Rules of Political Bureau of the CPC Central Committee. *Zhang Guojun*

ing an obvious drop in central government revenue increase during the first several months of 2013, the central government cut regular spending by 5 percent and reduced central government transfer payments to local governments by standardizing transfer payment system. In this way, the funds saved were allocated to improve people's livelihood and develop the economy." The final account indicated that the central government expenditure on medical and health care, social security and employment, culture, sports and media, science and technology, and transportation increased by 26.4 percent, 14.2 percent, 7.5 percent, 7.4 percent and 4.3 percent respectively.

The investment in people's livelihood has ensured many ordinary people real benefits. About 120 million rural students nationwide enjoyed free tuition and textbooks for their compulsory education and about 12.6 million boarding students from poor family in central and western China received living subsidy. We raised the basic medical insurance for urban and rural residents to 280 yuan per year, and annual per capita spending on basic public health services to 30 yuan. In terms of government-subsidized housing projects, we basically finished the construction of 5.44 million units of urban housing and started construction on

another 6.66 million during the year. Furthermore, we supported to renovate 2.66 million dilapidated rural houses.

Members of NPC Standing Committee agreed that it was very difficult to make the achievements in fiscal work of 2013. Having acknowledged the achievements, we need to continue to better the fiscal work and strive to complete the budget of this year. The fiscal figures in first five months of this year are not relaxing. According to the statistics, during the five months national revenue totaled 6.1177 trillion yuan, an increase of 8.8 percent year on year. Breaking the figure down, central government revenue amounted to 2.8851 trillion yuan, an increase of 6.3 percent, 0.7 percent less than the budget. National expenditure totaled 5.2632 trillion yuan, up 12.9 percent, and central government expenditure amounted to 879.5 billion yuan, an increase of 13.1 percent.

"In the first five months, the increase of national revenue is basically in consistent with the economic growth, while central government revenue increased at a lower rate. In the following months, the downward pressure on the economy still exists and the scope of the pilot project on replacing business tax with VAT is further expanding, therefore completing the budget of central government revenue is under

great pressure," said Lou. In the next half year, we will adhere to the general principle of making progress while maintaining stability in all aspects of our work in line with the plans of the CPC Central Committee and the State Council, the decisions and resolutions of the 2nd annual session of the 12th NPC as well as the requirements of this session. We also need to coordinate the relations between ensuring steady economic growth, promoting reform, adjusting the economic structure, improving quality of life, and preventing from the risks. We will make solid progress in fiscal and tax reform, strengthen and improve the fiscal macro-control, and strive to realize the targets for comprehensively deepening reform and economic and social development in 2014.

To optimize expenditure structure: transfer payment plan should be submitted to NPC for record

The central government transfer payments to local governments are in the limelight during the review. The final account showed last year central government transfer payments to local governments amounted to 2.436272 trillion yuan, 99.3 percent of the budgeted figure, 56.7 percent of the total transfer payment and 3.4 percent up from 2012. Special transfer payments amounted to 1.861046 trillion yuan, 96.6 percent of the budgeted figure, 43.3 percent of the total transfer payment and 3.4 percent down from 2012.

There have been constant voices among the local governments and deputies to increase general transfer payments and reduce special transfer payments. It is widely applauded that the share of special transfer payments dropped by 3.4 percent in 2013. However it is generally believed that the special transfer payments should be further streamlined and reduced.

"First of all, ministries of central government tried hard to establish special projects and local governments have to seek and make up excuses in order to apply for these projects, which easily breed corruption. Secondly, sometime there are more than one hundred sub-projects under one project, whose approval involves more than ten ministries, dozens of departments and one hundred offices. Many projects

could not be approved till the end of the year, which has negative influence on government efficiency and effective use of government funds. Thirdly, the special transfer payments tend to link with local supporting funds. If the supporting funds fail to put in place, the special funds are not allowed to move elsewhere, leading to capital accumulation.” Wei Liucheng, member of NPC Standing Committee, enumerated “the three sins” to have excessive special transfer payments.

Likewise, National Audit Office showed in audit work report for 2013 central government budget implementation and other revenue and expenditure, that there are 363 items under special transfer payments, one of which in Central Government Infrastructure Investment includes 110 sub-items. Some special transfer payments overlap others. NPC Economic and Financial Committee indicated in the review report that the division of administrative power between ministries and between departments under the ministries was not clear. The special transfer payment items are scattered, tiny and numerous, and the management of the payments doesn’t meet relevant criterion.

In view of these problems, members of NPC Standing Committee provided many constructive suggestions.

Wei Liucheng proposed that the special funds should be reduced gradually and substantially, and administrative and financial power should be divided clearly by financial and tax reform. In order to reduce special transfer payments and increase general transfer payment, local government should be responsible for development and stability, ministries of central government for supervision and guidance.

Hou Yibin suggested improving the transparency of transfer payments and putting decision-making and implementation process under the consideration and supervision of NPC.

“It has been an old problem to have too many special transfer payments over the years. Why is it so hard to cut special transfer payments? In depth it is not only the problem of budget reform but the entire administrative system reform,” Lü Zushan commented. He suggested that we should buckle down to reform the entire administrative system and promote budget system reform by reducing special transfer payments substantially.

NPC Financial and Economic Affairs Committee recommended clarifying the responsibilities for administrative power and expenditure of governments at different levels and departments under central governments. The shift in governance function to streamline the administration and delegate power to the lower level needs accelerating. Special transfer payments should be further cleared and integrated, with more standard and transparent transfer payment items. Moreover, the detailed measures of central government transfer payments to local governments should be submitted to NPC Standing Committee for the record.

The Committee also proposed to optimize the spending structure, improve the efficiency in using funds, strengthen the construction of basic budget system and accounting system, perfect the spending standard system and restrict basic spending and projects spending.

We need to optimize the spending structure, improve the efficiency in using funds, strengthen the construction of basic budget system and accounting system.

To promote fiscal reform: reinforcing performance-based budget supervision

Financial supervision is one of NPC’s functions as well as an important supervision measure. During the review, members pondered upon the central government final account combined with accounting report, and pointed out many problems in budget implementation and financial management. Besides imperfection in transfer payments system mentioned above, there are other problems like unsound government debts management system, excessive surplus revenue, inefficient fund use and lax financial discipline.

To tackle these problems, members suggested solidly pushing ahead fiscal system reform and further improving full-caliber budget management sys-

tem. They also suggest further rectifying budget compilation, regulating final accounts compilation and opening up budget and final accounts. Moreover, they proposed to intensify the work on 3-year financial plan, making financial policies more forward-looking and sustainable.

While the suggestions may seem picky, members of NPC Standing Committee unanimously hoped to make full and effective use of government funds. “Efficient finance requires scientific and reasonable management system as well as supervision.”

Han Xiaowu suggested, “The first priority is that the State Council and its responsible ministries should take pragmatic measures to strengthen self-supervision. First of all, we need to change the notion of emphasizing allocating and ignoring supervision. We need to strengthen supervision by solving the problems in the entire financial system. Secondly, we need to change the pattern of emphasizing spending and ignoring performance. We should perfect spending performance assessment system by assessing key spending and funds, publicizing the assessment results and referring the results to budget making.”

Similarly, NPC Financial and Economic Affairs Committee suggested accelerating performance assessment system building, promoting assessment work in key areas of agriculture, education, science and technology, healthcare and social security. Besides increasing the efficiency of fund use, the Committee additionally proposed to strengthen accounting supervision on full-caliber budget and final accounts, better accounting supervision system over the four budget books. Last, the Committee proposed to improve accounting system in assessing performance of using key government funds.

In view of the suggestions, Lou Jiwei said, “the next step is to improve budget system. All revenues and spending should be included into budget, and the budget compilation should be more scientific, accurate and specific.” According to Lou, budget review will be strengthened as well as surplus and carry-over fund management. Besides, budget implementation process will be under strict supervision and control adhering to the principle of “budget first, spend next”. (NPC) ■



A staff member is counting bank notes in a credit cooperative of Shandong Province. *Qiao Jihong*

Safeguard the baseline of financial risks

With the market economy being maturer and complex in China today, once the financial market encounters turbulence, it will result in disastrous loss. The latest financial crisis caused by the subprime mortgage crisis in US at the end of 2007 has brought serious impact on global economy. We should draw lessons from this.

In order to prevent crisis at the earliest stage, on June 24, 2014, the 9th session of the Standing Committee of the 12th National People's Congress (NPC)

heard a report made by the State Council on strengthening financial supervision and preventing financial risks. This review drew great attention from NPC and its Standing Committee. Nearly 80 deputies made comments or offered written suggestions. They were pondering on the prevention of systematic and regional financial risks.

Risks are rising but remain controllable

Lai Xiaomin, deputy to NPC as well as chairman of the board of China

Huarong Asset Management Corporation said, finance is the core of modern economy. Once there are problems in the financial sector, the impact it causes will be more serious than other sectors. This is because the financial sector is systematic, interrelated and closely linked. The problems generated will affect tens of millions of people or even nearly a hundred million of people. So the prevention of financial risks should be the top priority of our work.

What is the overall situation of China's financial risks? When reporting to NPC Standing Committee, Vice Governor Liu Shiyu pointed out that currently, China's economy is running fairly well, fiscal index of financial institutions remain sound, the financial system is stable and overall risk is under control.

Tang Shuangning, vice chairman of NPC Agricultural and Rural Affairs Committee as well as chair of the board of China Everbright Bank said, financial risks, to a large extent, show the risks of real economy in the financial sector. When economy slows down, the

financial risks will increase, if economy performs well, the financial risks will be small. This is just like the phenomenon of tide: when the tide rises, namely the economy is sound; reefs submerge, enabling boats to move, just like turning bad assets into good. When the tide falls, reefs appear, the so called good assets will turn into bad assets. Under the present situation when China's economy is faced with downward pressure, financial risks show an increasing trend.

The key areas of prevention

The key areas to prevent financial risks include: the double increase of the ratio and volume of non-performing loans (NPL); deterioration of the quality of credit asset of industries with excessive production capacity; increased pressure on debt payment by local financing platform; tightened capital chain of the real estate industry; ambiguous legal relationship of shadow banking; unregulated internet finance as well as illegal fund-raising.

Tang Shuangning considers it most important to be alert to NPL as both its ratio and volume used to be low but now keep rising at 1.58 percent and 1.28 trillion respectively by the end of this April. Among them, the NPL of commercial banks has increased for ten consecutive quarters.

The risks of local debt worried Yin Zhongqing, member of the Standing Committee as well as vice chairman of NPC Financial and Economic Affairs Committee. He said, according to statistics, 37.5 percent of loans will reach their due time within this and next year. Local government will enter a peak period of debt repayment and face great pressure. Under the situation in which financial platforms are facing more and more regulation, revenues from the transaction of land are becoming limited, local government financial revenues are decreasing. As a result, some local governments are unable to pay the debt in due time, resulting in risks of debt default. Efforts should be made to prevent the spread of risks from the broken chain of capital.

Attention should also be paid to the risks brought by the turning point of the real estate industry. Yin Zhongqing said, at present, China's real estate

development has become divided. In the first-tier cities, the house supply decreased but price keeps rising. In the second and third-tiered cities, commercial housing is seriously oversupplied. In some fourth-tiered cities, price of commercial housing decreased, making developers' capital chain tightened. Once the house price drops, the real estate industry will greatly affect the stability of the financial industry. Government at various levels should make expectation management and urge financial institutions to prepare for financial risks.

Chen Guangguo, member of the Standing Committee as well as vice chairman of NPC Agriculture and Rural Affairs Committee, made special studies on financial risks prior to the review. According to the information he collected, he considers it important

China's economy is running fairly well, fiscal index of financial institutions remain sound, the financial system is stable and overall risk is under control.

to be alert to the financial risks brought by the slowdown of the real economy. Some banks in Chongqing report that enterprises with production overcapacity are facing the situation of increased deposit and loans as well as accounts receivable with balance sheet deterioration. The problems faced by these enterprises will be transmitted to banks, whose credit will be put under risk. As a result, a large amount of NPLs will be generated.

Deputies are also worried about the risks faced by financial institutions. In recent years, with the reform of the financial system, the shadow banking has become more and more active. While meeting multi-level and diversified financial demand of the society, such shadow banking also has generated problems such as its business not up to standard, information not fully released; management not in full place as well as supervision arbitrage from time to time. Therefore, there are great calls for enhancing the regulation of shadow banking. Xie Xuren, member of the Standing Committee as well as the chairman of the National Council for Social Security Fund said, the problems and risks in shadow banking are outstanding, which is also an area of frequent violation of laws and regulations. Efforts must be made to strengthen the supervision and regulation on shadow banking.

The recent years have also seen a



Spectators attending the Seventh Beijing International Finance Expo test self-service machines that distribute bank cards on November 3, 2011. Chen Xiaogen

vigorous development of internet finance, which also call for urgent regulation in this area. Han Xiaowu, member as well as deputy secretary-general of the Standing Committee of National People's Congress is very concerned about this. He said, as an important component of traditional financial system, internet finance has been developing very rapidly. However, it also has many problems and risks. Once such risks are out of control, the result will be disastrous. Therefore, he suggested that relevant department should adopt concrete measures as soon as possible to guard against risks brought by the fast-growing internet finance. Efforts should be made to promote healthy development of the internet finance.

Another serious situation is illegal fund raising, which happens more and more frequently. At present, by means of internet and mobile telecommunication technology, the illegal fund-raising has brought a growing number of cases and participants as well as the amount of money involved. Wang Mingwen, member of NPC Standing Committee as well as law professor from Xichang Institute said, a high return is the driving force for the spread of illegal fund raising and absorbing of public deposit. For ordinary people, they have little awareness of law and risks, they only care for return. This will make them trapped in high interest rate. However, those collecting money from ordinary people are mainly engaged in real estate which is not sensible to interest rate or small and medium sized companies, which are unable to get loans from banks. If one company has both loans from banks as well as private capitals, the risks will be transmitted to banks and other financial institutions.

Improving supervision capability

To guard against major risks, we should strengthen supervision capability. At present, China's banking, securities and insurance are supervised by various government departments respectively. In order to improve supervision capability, China has taken gradual steps to improve the system of coordination of financial supervision and regulation. In August 2013, the State Council approved People's Bank of China to establish a joint meeting mecha-



A photo taken on May 10, 2014 of Huaxia Bank located in the Financial Street of Beijing. This street has an area of 1.18 square meters, making itself to be the first large-scale financial-oriented function zone of Beijing. CFP

nism among various departments. Currently, studies have been carried out in the following areas, namely the establishment of information sharing and comprehensive data collection of finance, regulation of financial business of the same nature in different financial institutions, promotion of internet finance, strengthening the capacity of financing in capital market as well as preventing and minimizing hidden risks in finance. Consensus has been reached and good results haven achieved.

Despite of efforts made in institutional development, there remains vacuum areas as well as problems emerged in mix management, co-operation and innovation. Deputies attending the session of the Standing Committee strongly call for measures to be taken to improve supervision mechanism and capability.

Li Shenglin, member of the Standing Committee as well as chairman of NPC Financial and Economic Affairs Com-

Deputies attending the session of the Standing Committee strongly call for measures to be taken to improve supervision mechanism and capability.

mittee said, in order to enhance supervision, the government should be given the role of playing its visible hand. For instance, with the development of mixed financial products and crossing financial product as well as cross-market financial innovation, trans-market innovation, it has become a daunting task to prevent the risks from spreading to other professions and regions. It is necessary to enhance the



coordination mechanism of financial supervision. Another example, internet finance is regarded as a new type of finance, which should be supported by government, but efforts are also needed to define the scope of supervision as well as to enhance the ways and means of supervision. We should further enhance financial supervision so as to put financial risks under control.

How to improve the system of supervision? Wu Xiaoling, member of the Standing Committee as well as vice chairwoman of NPC Financial and Economic Affairs Committee suggested that a supervision system combining institutional and functional supervision should be set up so as to better serve the mixed finance and reduce the financial cost. To be specific, she said the so called institutional supervision means institutions in charge should set up the entrance and exit standard for legal entities as well as carry out regulation on legal operation and risk control.

Functional supervision means institutions, regardless of their nature, as long as they engage in business of the same legal relation and function, they should be regulated and supervised by the same department in charge. Such supervision is on market behavior.

In order to respond to the current financial situation, many deputies including Zheng Gongcheng suggested that efforts should be made by the central government in setting up a big ministry on financial supervision and regulation. He pointed out that in the past, banks, insurance companies and securities companies operated independently, and were regulated separately. For instance, insurance business was not provided by banks, and vice versa. Now the operation is mixed, banks can provide insurance service, and insurance companies can carry out banking business, which has become normal. If they were regulated separately, it would not be conducive to the sound development of banking industry and risk prevention. Under such background, if a unified system of supervision and regulation were not in place, risks would be resolved only through a coordination mechanism.

How to define the functional responsibility of financial supervision and regulation between central and local governments? Deputies including Chen Guangguo suggested that the State Council should formulate regulations on the division of power between central and local governments in financial supervision and regulation. A two-layered regulation system should be set up with common and separate functions as well as unified power and responsibility.

Strengthening financial supervision through legal means

Many deputies agreed to improve financial laws and regulations. Zheng Gongcheng suggested that efforts should be made to speed up the formulation of bankruptcy laws for banking, insurance and securities companies. He said nowadays, we have state-owned enterprises going bankrupt, but this is not the case for banks, insurance and securities companies. This is not because the financial industry is perfect, but because the financial industry is not fully market-oriented or competi-

tive enough. Some financial institutions seriously violate laws and regulations, and their business is not well operated. Some are not making profits, and some are lack of solvency. However, under such situation, no one goes bankrupt as market rule of competition is not reflected in this area. Therefore, bankruptcy laws and regulations should be formulated for financial institutions. And relevant systems should also be established accordingly, such as deposit insurance system. Only by adopting the rule of “the survival of the fittest” can banks, insurance and securities companies regulate their behaviors and develop in a rational way.

Gao Fei, deputy to the National People's Congress as well as director-general of Party secretary of Jilin Branch of China Banking Regulatory Commission said that laws related to finance had been formulated more than ten years ago with the background that the finance industry was operated by different institution and was regulated by different government organs. Things changed dramatically as mixed operation has become common now in this area. As a result, relevant laws such as laws include Law of the PRC on the People's Bank of China, Law of the People's Republic of China on Commercial Banks, Law of the PRC on Banking Regulation and Supervision, Law of Securities Regulation, Law of Insurance Regulation should be amended in line with the latest development. Efforts should be made to ensure that regulation is conducted according to law. A lack of legal basis will result in insufficient regulation and supervision as well as unclear baseline for systematic and regional financial risks.

Huang Guangwei, deputy to the National people's Congress as well as chairman of the board of Nanchong Commercial Bank of Sichuan strongly supports the amending of laws and regulations as well as the law-based supervision and regulation. He said while amending laws and regulations, equal attention should also be paid to law-based supervision and regulation. Less discretion should be allowed outside legal framework and detailed rules should be specified. We wish under such arrangement the financial supervision and regulation develop further within legal framework and financial risks be under better control. (NPC) ■

Food Safety Law to be revised: tougher and stricter

By Chen Guomin



Customers are enjoying snack food in food stalls of Beijing on June 23, 2012. CFP

Just concluded 9th session of the Standing Committee of the 12th National People's Congress (NPC) did first reading on a draft revision to China's Food Safety Law. The current law has 104 articles whereas the draft revision contains 159 articles with 55 new articles and about 200 new provisions. It is a major revision to address the outcry of the general public for food safety.

Chairman Zhang Dejiang stressed that food safety is an issue which has a direct bearing on people's health and life. As law makers, we must put people in our hearts and amend the law before us so much so that ushers in a brand new food safety law together with an improved, more scientific and stricter supervision system. Throughout the legislative process, the public will be heard and its concerns will be addressed.

The bill, currently being put on the NPC website for soliciting public opinions and suggestions, pledges tough sanctions for offenders and promises the strictest food safety supervision system in the country.

The current law has helped improve food safety, but the situation remains severe, said Zhang Yong, head of the State food and drug administration, when introducing the draft to lawmakers at the bi-monthly session of the NPC Standing Committee held from June 23 to 27.

According to statistics released by the Ministry of Public Security, in the past three years more than 52,000 criminal food safety cases and 28,000 fake medicine cases were wrapped up. A large number of underground workshops and factories manufacturing "poisonous and harmful" food and medicine were closed and those responsible were punished according to law.

The existing system is not effective, penalties are comparatively light and it does not deter offenders. Through the legislative process, the country expects to impose the harshest civil, administrative and criminal penalties on offenders and toughest punishment on supervisors who neglect their duties, Zhang said.

According to the bill, consumers can demand reparation worth three times the loss they suffer from substandard food. Current law only allows compensation of 10 times the price of the food.

As substandard food can be very cheap and can cause serious health problems and great financial losses, consumers should get higher compensation if the revision is adopted.

Bigger fines for offenders are also anticipated. Producers will face fines of up to 30 times the value of their products,

Food safety is an issue which has a direct bearing on people's health and life. The current Law is to be amended into a brand new food safety law together with an improved, more scientific and stricter supervision system.

up from 10 times under the current law. If the products are worth less than 10,000 yuan, those involved can be fined a maximum of 150,000 yuan, up from 50,000 yuan currently.

The bill adds provisions to punish landlords of production sites who know that illegal activities are being undertaken on their property, and suppliers who sell unlawful substances to producers, knowing that they will be added to foods. Their illegal income will be seized and they can be fined up to 200,000 yuan.

Administrative penalties, such as demotion and dismissal, will be imposed on officials who fail to respond to food safety emergencies and remove loopholes. They will also be held responsible for food safety cover-ups. Similar punishments will be dished out to officials with food and drug regulatory agencies, health and agriculture departments.

Those caught abusing their power and neglecting their duty for personal gain will face criminal penalties.

Tougher provision on infant formula

One of the most notorious cases in recent years was the finding of melamine in infant formula produced by Sanlu Group, a leading dairy firm in north China, in 2008. Six babies were killed and thousands fell ill.

The bill includes specific provisions on infant formula powder. Producers will now have to test every batch of their product, conduct regular internal inspections and submit reports to regulators.

National outcry surrounding this incident brought about the first Food Safety Law in 2009 but public confidence in domestic baby formula has never been fully restored. Stricter legislation and tighter scrutiny are expected to help restore the reputation of the industry.

Dairy firms are also asked to register the formula of their baby milk powder and source of ingredients with provincial regulatory agencies. They are forbidden from outsourcing production.

Liabilities clarified on online shopping

The bill also has new provisions on the booming online shopping.

Online consumer-to-consumer platforms like Taobao, Ebay's parallel in China, have become an important way for people to buy food. At Taobao, more than 97,000 vendors list food in the description of their business. According to the website's ranking, the most successful shop has struck 4.54

million deals.

Many food producers are even expanding their business to include marketing on instant messaging services like WeChat.

The bill clarifies the liabilities of these online platforms. They are required to register the real identity of vendors and check their certificates. They will have to compensate consumers if they can not provide the identity, address and contact details of retailers on their platform.

They should also report malpractice to the government and deny access to misbehaving retailers.

Public comments and suggestions welcomed

In one month when the bill was listed on the NPC website for public comments and suggestions there have been running food safety web pages 1.47 million with special articles more than 4,000. Public opinions hailed the bill as a new move by the central government to ensure food safety and put in place penalties toughest ever in the country on any offenders.

Professor Zhu Yi of food college of China Agriculture University said that the bill will streamline the current supervision mechanism pulling all forces together on cracking down food safety problems.

The broadest accountability system will be shaped, from food producers to government departments including law enforcement agencies to social organizations, all players being held accountable and put into a penalty system, observed associate professor of law college, Renmin University of China. Civil, administrative, and criminal liabilities will be seamless connected so as to avoid any grey zones.

Public awareness ought to be raised on food safety problems. Many believed that the whole society shall be mobilized on a campaign to understand the food safety law and regulations. Some even suggested that consumers shall join with food producers in learning the food process and risks at each and every phase of production so as to increase the transparency.

Following the past legislative proceedings, public opinions and suggestions will be incorporated into the bill accordingly. ■



An activity of "Visiting Imported Food Hygiene at Entry-exit Ports" is held in Qingdao of Shandong Province on June 20, 2014. It is the first time that the production and processing of aviation food as well as supervision open to the media. CFP

The right way to succeed

-A proper understanding of the central government's policy is key to Hong Kong's development

By Yuan Yuan

The success of the “one country, two systems” policy in Hong Kong proves it was not only the best solution for returning Hong Kong to China 17 years ago but is also the best arrangement for the long-term prosperity and stability of the region, according to a newly published white paper of the Chinese Government. The report, titled *The Practice of the “One Country, Two Systems” Policy in the Hong Kong Special Administrative Region*, was released on June 10 and is the first such paper on China’s Hong Kong policy.

“[The paper] has several important chapters, including comprehensive detailing of the progress made in the Hong Kong Special Administrative Region (HKSAR), efforts made by the Central Government in ensuring the prosperity and development of the HKSAR, as well as a full and accurate understanding of the ‘one country, two systems’ policy and its implementation,” said HKSAR Chief Executive Leung Chun Ying on June 10 during a press conference in Hong Kong.

Ingenious policy

The “one country, two systems” solution was put forward by late Chinese leader Deng Xiaoping in the early 1980s in an effort to realize the peaceful reunification of China.

According to Deng, the concept of “one country, two systems” means there is only one China, with the mainland adhering to a socialist system while Hong Kong, Macao and Taiwan may retain their capitalist systems for a long time to come.

Following this principle, the Chinese Government successfully returned Hong Kong to China through diplomatic negotiations with the British Government, and resumed the exercise of sovereignty over Hong Kong on July 1, 1997.

Since its return to China, Hong Kong has maintained steady economic growth. From 1997 to 2013, its gross regional product (GRP) grew by 3.4 percent annually in real terms. The local per-capita GRP increased by a total of 39.3 percent, calculated in U.S. dollars, during the same period.

According to statistics for 2013 from the International Monetary Fund, Hong Kong’s GRP and per-capita GRP, ranked 35th and seventh respectively when compared to the rest of the world and calculated by purchasing power parity.

“Hong Kong has maintained a sound business environment, and is generally recognized as one of the world’s freest economies,” says the white paper.

The Chinese mainland has provided “solid backing” for Hong Kong’s prosperity and stability over the years, including during the Asian financial crisis in 1997, the fight against SARS in 2003 and the global recession in 2008.

A series of economic partnership agreements, including the



PEARL OF THE ORIENT: Hong Kong has maintained its prosperity and made sustained progress after its return to China in 1997. CFP

Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) that was put into effect on January 1, 2004, now allows the Chinese mainland to give a zero tariff treatment to all products originating from Hong Kong.

Currently, the mainland is the largest trading partner of Hong Kong, while Hong Kong is among the mainland’s most important trading partners, a key market for mainland products and the mainland’s largest off-shore financial center.

Trade volume between Hong Kong and the mainland reached HK\$3.89 trillion (\$502 billion) in 2013, 3.5 times that of 1997.

The Chinese Central Government has also taken measures to consolidate Hong Kong’s position as a leading offshore market for Chinese yuan, and has encouraged the listing of mainland enterprises on the stock market in Hong Kong.

By the end of 2013, around 129 million mainland residents had visited Hong Kong under the Individual Visitors Scheme. According to estimates by the HKSAR Government, the scheme contributed to a 1.3-percent increase for Hong Kong’s GRP in 2012 alone, and helped create more than 110,000 jobs.

New challenges

While comprehensive progress has been made on all fronts in Hong Kong, the practice of “one country, two systems” has come to face new circumstances and new problems.

“The implementation of the Basic Law of the HKSAR has faced hurdles due to the fact that some people are confused or biased in their understanding of the ‘one country, two systems’ policy and the Basic Law,” said Zhang Dinghui, deputy director of Contemporary Chinese Politics Research Institute at Shenzhen University, Guangdong Province. The Basic Law, formulated in accordance with the Constitution of the People’s Republic of China, provides the HKSAR with the equivalent of



a constitutional law.

The white paper clarifies that China's Central Government has comprehensive jurisdiction over all local administrative regions, including the HKSAR, and the high degree of autonomy of the HKSAR stems solely from the central leadership's authorization. "The high degree of autonomy of the HKSAR is not full autonomy, nor a decentralized power. It is the power to run local affairs as authorized by the central leadership," says the document, which explicitly denies there is any "residual power" for Hong Kong.

"High degree of autonomy' does not mean complete autonomy on the part of Hong Kong. So this is a high degree of autonomy as stipulated in the Basic Law, and it has been in the Basic Law since it was promulgated in 1990," HKSAR Chief Executive Leung noted.

The white paper stresses that the most important task in upholding the "one country" principle would be to maintain China's sovereignty, security and developmental interests, and respect the country's fundamental system as well as its other systems and principles. The "two systems" concept means that within the "one country" of China, the main body of the country practices socialism, while Hong Kong and some other regions practice capitalism.

"A socialist system by the mainland is the prerequisite and guarantee for Hong Kong's practicing capitalism and maintaining its stability and prosperity," says the white paper. "The principle of 'one country' must be combined with respect for the difference of 'two systems.' In no circumstance should we do one thing and neglect the other."

The white paper also points out that the Central Government continues its support for the HKSAR to gradually and orderly develop a system of democratic governance that suits the conditions of the region, as provided for in the provisions of the Basic Law.

"The ultimate aim of selection of the chief executive will be one by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures and the election of all the members of the Legislative Council by universal suffrage," the white paper says.

It adds that this commitment by the Central Government has been incorporated into the Basic Law and its relevant resolutions by the Standing Committee of the National People's Congress (NPC), China's top legislature.

The timetable for universal suffrage in the HKSAR has already been set. A decision was made on December 29, 2007, during the 31st Session of the 10th NPC Standing Committee "that the election of the fifth chief executive of the HKSAR in 2017 may be implemented by the method of universal suffrage; that after the chief executive is selected by universal suffrage, the election of the Legislative Council of the HKSAR may be implemented by the method of electing all the members by universal suffrage." From December 4, 2013 to May 3, 2014, the HKSAR Government initiated a five-month public consultation on the election of the chief executive in 2017 and that of the Legislative Council in 2016, starting the relevant procedures for introducing universal suffrage.

According to the white paper, those who govern Hong Kong "should above all be patriotic."

Qiang Shigong, director of the Center for Hong Kong and Macao Studies at Peking University, told Xinhua News Agency that this statement was a reply to the argument raised by some Hong Kongers that there is no legitimacy to demanding the chief executive to be patriotic.

Patriotism is a basic ethic for politicians in any place in the world, including in China, Qiang said.

The white paper also says that it is necessary to stay alert to attempts by external parties to use Hong Kong to interfere in China's domestic affairs. Preventing and repelling attempts made by the small number of people who act in collusion with outside forces to interfere with the implementation of "one country, two systems" policy in Hong Kong is crucial, it adds.

"Firmly advancing the cause of the 'one country, two systems' policy is the common desire of all Chinese people, those in Hong Kong included. It is in the fundamental interests of the country and people, the general and long-term interests of Hong Kong and the interests of foreign investors," said Zou Pingxue, deputy head of the Center for Basic Laws of Hong Kong and Macao Special Administrative Regions, Shenzhen University. (Beijing Review) ■

Hong Kong in figures

- The world's ninth largest trading economy, having trading ties with almost every country and region in the world
- One of the world's largest container shipping ports and fourth largest ship-registration center
- The world's third largest destination for foreign direct investment
- Home to the world's sixth largest securities market and fifth largest foreign exchange market
- Home to one of the world's busiest airports—the Hong Kong International Airport, which has led the world for many years in terms of freight volume and ranks fifth in terms of passenger transport volume (Source: The Practice of the "One Country, Two Systems" Policy in the Hong Kong Special Administrative Region)

Xinjiang right on track: ethnic unity and prosperity

By Chen Guomin

The second central work conference on Xinjiang was held in Beijing in late May. President Xi Jinping addressed the meeting, stressing that “in the long run, the Xinjiang issue is an issue of ethnic unity. People from different ethnic groups must learn to understand, cherish and help each other as well as stick together like the seeds in a pomegranate.”

“The fruits of Xinjiang’s development must be used to improve people’s livelihoods. Employment must be made a priority. Authorities need to help people find employment in the cities as well as find jobs and set up their own businesses near their homes”, said Xi.

The meeting, attended by nearly all senior Chinese officials, was held following a series of bloody terrorist attacks in the region, including one in May at an open-air market in Urumqi, the region’s capital, that left 39 innocent victims dead and another 94 injured.

Xi said the number of Xinjiang residents going elsewhere across the country to study, find work or to settle should be expanded.

Xi asked the government to allocate more education funding to Xinjiang and said schools should push bilingual education there.

The president also called for “nets spread from the earth to the sky” to combat terrorists in Xinjiang and stressed that long-term stability was the main goal for the region.

To better implement the decisions of the meeting, the National Development and Reform Commission (NDRC) plans to deepen reform of the administrative approval mechanism, increase the efficiency of the approval process, and create a favorable investment environment. It will optimize the allocation of funds for supporting Xinjiang and enhance supervision of how policies aimed at boosting the region’s development are carried out. It pledges that it will work to implement a variety of support policies in employment, education and



poverty reduction for the region.

In the near term, NDRC will focus on promoting economic and social development and improving living standards in southern Xinjiang, which has difficult geography and lower living standards.

At the first central work conference on Xinjiang held in 2010 the central government decided to set up a mechanism under which 19 provinces or major cities, including the prosperous Beijing, Shanghai, Shenzhen, and Guangdong Prov-



On April 15, 2011, several Uyghur girls are playing in an Apricot garden of Yining County of Xinjiang. *Liu Chenggang*

People from different ethnic groups in Xinjiang must learn to understand, cherish and help each other as well as stick together like the seeds in a pomegranate.

ince, provide financial and technological support to Xinjiang.

According to NDRC, by the end of April, these provinces or cities had offered 4.58 billion yuan in aid to Xinjiang, accounting for 41.6 percent of the whole year's 11-billion-yuan target.

The construction of 592 projects designed to aid Xinjiang's development had started by the end of April, accounting for 54.3 percent of the total target number set early this year.

Ethnic unity a lifeline

President Xi Jinping stated at the Meeting that ethnic unity is the lifeline of all ethnic groups and the footstone for development and progress. The People's Daily carried a commentary calling for cadres and masses in Xinjiang to cherish ethnic unity the same way they do to their eyes because "ethnic unity is like the air and the sun, from which you benefit but you never feel it."

"The more ethnic separatists wanted to break the bond of ethnic unity, the more we need to protect it," said the commentary, quoting a call circulating on WeChat, a popular Chinese instant messaging service, that "people of all ethnic groups should stick together like pomegranate seeds."

It said the ethnic regional autonomy system should be upheld as always, and other policies of the CPC should also be implemented unswervingly. "Every ethnic group and every citizen should contribute its share to realize the Chinese dream and they also stand a chance to share the fruits of development."

The commentary called for more communication and various forms of exchange among different ethnic groups, including the promotion of bilingual education and more integrated social structure and community environment where people are not grouped solely based on their ethnicity.

It also said that the authorities should encourage more people from minority ethnic groups to receive education, work or live in other parts of the country to enhance understanding and solidify unity.

Development is an all-round way

With construction forging ahead of an expressway linking Aksu to Kashgar, Xinjiang will put another economic trunk line into use this year to boost its less developed southern area by cashing in on the country's strategy of opening to the west.

Stretching 428.5 km, the longest expressway under construction in China will facilitate economic exchanges between southern Xinjiang and the regional capital of Urumqi upon its completion, according to the project headquarters.

The road is also set to become an important corridor to Central Asia and Europe. Just as Aksu used to be a key stop along the ancient Silk Road, it will play a major part in the Silk Road Economic Belt, the modern international trade network proposed by President Xi Jinping.

With geographical advantages, Xinjiang witnessed the integration of different civilizations in history and has now

Xinjiang witnessed the integration of different civilizations in history and has now come to its golden age of development.



On March 21, 2013, people dance and sing at the Muqam Heritage Center in Hami, Xijiang Uygur Autonomous Region. Cai Zengle

come to its golden age of development, said Zhang Chunxian, secretary of the Communist Party of China (CPC) Xinjiang Uygur Autonomous Regional Committee. To spearhead the construction of the Silk Road Economic Belt project, which could involve over 40 Asian and European countries and regions with a combined population of three billion, Xinjiang must build itself into a regional traffic hub complete with a sound transport network covering its northern, central and southern areas to connect China with Central, West and South Asia as well as Europe and Africa.

Xinjiang is focused on boosting cultural and education co-operation with countries along the Silk Road Economic Belt to turn Xinjiang into a regional center for culture, science, technology and education, while striving for a national oil and gas processing and storage center, a large domestic base for coal power and coal chemical industries and wind power generation, as well as a land thoroughfare for energy and resources.

Ma Dazheng, a researcher with the Chinese Academy of Social Sciences' Research Center for Chinese Borderland History and Geography Studies, said "a major change we have seen over the past five years is that better governance and lasting stability have become the top priority of the administrative goals while development is expanded from economic spheres to the overall development of the society."

"To improve the societal well-being of the people, ethnic and religious work is essential as half of the Xinjiang population are ethnic minorities and religious," observed Ma.

Home improvement

In rural Hotan Prefecture, Xinjiang, a local homemaker Bamhan can not help gazing at the empty trellis on which the fruits will hopefully soon hang in her new garden as no grapes have been planted yet.

In an example of the central government pouring funds into improving local livelihoods, Bamhan has had a house -- and her prized trellis -- built for her free of charge. "I can't wait for the coming fall, when we can grow some grapes on it and share them with our neighbors," 72-year-old Bamhan said.

Previously, the family, with two intellectually disabled sons, was only able to enjoy the local delicacies when they were presented by neighbors.

The new house is one of a number in the area built as part of a housing project supported by central and regional governments. Beijing twins Hotan under one-on-one system in which developed regions help with the development of less-developed ones.

Bamhan and her family were allocated a total government subsidy of 28,500 yuan and 40,000 yuan as allowance granted to low-income families for the building of their 45-square-meter brick house.

While she did not pay a penny for the construction, Bamhan insisted on cooking a meal every day for the workers. It was her way of expressing gratitude.

Over the past three years, the regional government has poured 74.25 billion yuan into the overall housing project in Hotan, helping 920,000 households, or 3.6 million farmers and herdsmen.

Bamhan and the family are looking forward to a grapes harvest in the fall in their new house.



Readers are looking through books exhibit in the section of ethnic original literature and translation works in Urumqi Friendship International Book City on May 5, 2012. Wang Fei



Doctors are from Xinjiang Frontier Corps Hospital of Armed Police measure blood pressure of people from local communities on May 6, 2014. Since its establishment in 2000, this hospital carries out frontier inspection and clinic activities every year. Zhao Ge

Dual-language education

Uygur-mandarin dual-language education is a part of government efforts to lift local people out of poverty.

Miriwen Emer, a Uygur in Kashgar Prefecture, has decided to leave her hometown to see the world outside.

Miriwen who has never left Xinjiang before, finished the national college entrance examination last month and applied for a medical university in Dalian, a northeastern coastal city.

"I have been eager to see the sea since I was young, so I applied for a beach-side college," she said, speaking fluent mandarin.

At the 2nd central work conference, President Xi Jinping urged Xinjiang to boost Uygur-mandarin education and encouraged Xinjiang people of various ethnic groups to study, work and live in the inland to boost mutual understanding and communication.

In the prefecture where most residents do not speak mandarin, Miriwen received education in both Uygur and mandarin languages in high school, and achieved a decent score.



A photo taken on June 20, 2014 showing the photovoltaic power generation equipment concentrating solar is to be set up by Xinjiang Hami Eph light Solar Energy Ltd. Li Mingfang

With such education, more young people like her are expected to transform their lives and give the region a different future.

Miriwen's father was a farmer in rural Kashgar. Since 2011, when the family started raising Dolan, a kind of sheep, their income has greatly increased.

This year, the family earned 21,000 yuan by selling the sheep, a remarkable sum compared with the village's annual per-capita income of less than 6,000 yuan.

"My family never worry about my tuition any more," Miriwen said, knowing that she can finally embrace her new life and realize her dreams.

Uygur-mandarin dual-language education efforts are paid off.

Employment boosting

In Kashgar, Muhtar Jume's greatest long-term wish is that his children finish college and earn good employment prospects.

He knows first-hand about the struggles of securing a livelihood in the family home of northwest Xinjiang without a good education.

As a junior middle school graduate and non-mandarin speaker, Muhtar Jume has struggled his way up to the position of workshop monitor at a porcelain company in Kashgar. He earns 3,500 yuan each month.

Employers in the region also attest to the need to boost education. "We only need to recruit 150 workers in a similar factory in inland provinces, but in Xinjiang, we doubled the number as local laborers' technology level lags far behind, and language and customs barriers affect efficiency," said Zhao Zhouqiang, vice president of the Kashgar Yuandong Group Co. Ltd, the parent of Muhtar Jume's porcelain company.

Among the 250 Uygur staff, only three have college degrees. Half of them have middle school degrees and about 40 percent have only primary education or are illiterate, said Zhao, adding that training is a big challenge for them.

It takes at least three months to train a young villager into a qualified worker, said Lin Lexuan, chairman of Nanda New

Agriculture Co. Ltd, the largest farm produce company in southern Xinjiang.

"Getting the surplus labor employed and earning money to spend is key to social stability and economic development in Xinjiang," said Yang Fuqiang, an assistant researcher with the Xinjiang Academy of Social Sciences.

Now, efforts are being made to improve employment prospects in Xinjiang. Shandong Ruyi Group, one of China's largest textile manufactures, signed an agreement on June 1 with the Kashgar government, pledging to invest six billion yuan and employ 26,000 people within two years to build a top-level textile and clothing base there.

Yan Qin, deputy secretary-general of Xinjiang regional government, told a press conference in Beijing recently that a fund of 20 billion yuan will be set up to support the textile and clothing industry in the region. The central government will contribute part of the fund and Xinjiang will raise the rest.

According to a 10-year textile development plan, 420,000 jobs will be created with an industrial output of about 86 billion yuan by 2018 and 1 million jobs and 212.5 billion yuan of output by 2023. The region will adopt strict environmental protection standards and control energy consumption.

Pilot project benefits thousands

A free high school education pilot project has benefitted 93,287 students in southern parts of Xinjiang since last fall.

The pilot project in Kashgar, Hotan and Kizilsu Kirgiz Autonomous Prefecture pays the students' tuition, course material costs and boarding, while providing each of them with a subsidy of 1,500 yuan a year.



Ma Pinyan, a researcher at Xinjiang Academy of Social Sciences, believes the high drop-out rate in southern Xinjiang, is directly related to the local economy. “Free high school education will help raise the overall quality of the lives of residents in southern Xinjiang,” Ma said.

Dilinur, vice president of Kashgar No.1 Middle School, said among 621 senior high students enrolled by the school last fall, 20 dropped out. The number of dropouts in the past, however, had been between 50 to 60. “The free education pilot project keeps more students in school,” she said.

In southern Xinjiang, a family spends about 4,500 yuan a year on senior high. Based on a local per capita yearly income of 4,077 yuan, tuition is far too high for many to afford.

China has nine years of compulsory education and secondary education is divided into junior and senior highs. Compulsory education includes six free years of primary and three of junior high.

The said pilot project will be extended to all of Xinjiang’s southern regions.

Special measures are being taken to develop southern Xinjiang, improve people’s livelihoods and create jobs. More efforts will be made to promote bilingual education and interaction between ethnic groups.

Xinjiang is right on the track. ■

Adil Memettur (C) offers Matang-making instructions to employees in his company at the Miaosheng International Enterprise Incubation Port in Ningxiang County, central China’s Hunan Province, June 1, 2014. Adil Memettur, a Uygur young man who runs an online store selling the Matang, a confection from his homeland in Xinjiang, has signed an agreement on June 4 to join an incubation program for start-up enterprises. He and his two partners, Jiang Jinya and Jiang Chunyang, are senior students at Changsha University of Science and Technology and made a fortune by selling the Matang confection online. To realize steady mass production, the three entrepreneurs have already set up their own company. Li Ga



Regional National Autonomy



Law of the People’s Republic of China on Regional National Autonomy, adopted on May 31, 1984 at the 2nd Session of the 6th National People’s Congress, is the basic law for the implementation of the system of regional national autonomy prescribed in the Constitution.

China is a unitary multinational State created jointly by the people of all its nationalities. Regional national autonomy is the basic State policy and one of the four fundamental political systems.

Throughout the country, there are 5 autonomous regions, namely Xinjiang Uygur Autonomous Region, Tibet Autonomous Region, Guangxi Zhuang Autonomous Region, Ningxia Hui Autonomous Region, Inner Mongolia Autonomous Region, plus 30 autonomous prefectures, 120 autonomous counties as well as 1,100 townships inhabited by ethnic minorities.

Regional national autonomy means that the minority nationalities, under unified State leadership, practice regional autonomy in areas where they live in concentrated communities and set up organs of self-government for the exercise of the power of autonomy.

Regional national autonomy embodies the State’s full respect for and guarantee of the right of the minority nationalities to administer their internal affairs and its adherence to the principle of equality, unity and common prosperity for all its nationalities.

Regional national autonomy has played an enormous role in giving full play to the initiative of all nationalities as masters of the country, in developing among them a socialist relationship of equality, unity and mutual assistance, in consolidating the unification of the country and in promoting socialist construction in the national autonomous areas and the rest of the country.

Regional National Autonomy Law has seven chapters and sixty-seven articles. Major provisions are on such important matters as the establishment of national autonomous areas and the structure of the organs of self-government, the power of autonomy of the organs of self-government, the people’s courts and people’s procuratorates of national autonomous area, the leadership and assistance from State organs at higher levels.

The Constitution, Regional National Autonomy Law, and 837 local autonomous regulations and implementing rules filed to the Standing Committee of the National People’s Congress for record are in place, which has laid down a solid foundation that ethnic minority nationalities in China enjoy their political, economic, social, cultural rights and the social economic development is ensured.



Let the world know a real Tibet

‘Eager to hear from the snowy plateau’

“Most members of my delegation and me included were born in Tibet, grew up in Tibet. We are Tibetans.” Padma Choling told his Polish and Latvian counterparts. He is vice chairman of the Ethnic Affairs Committee of China’s National People’s Congress (NPC) and chairman of the standing committee of Tibet Autonomous Regional People’s Congress.

Padma Choling headed a delegation on a visit to Poland and Latvia from March 16 to 23, 2014. It was the first trip to Poland and Latvia that the NPC delegation of Tibetan deputies ever made. The delegation engaged in an in-depth exchange of views concerning the social economic development of Tibet with members of parliaments of Poland and Latvia. Accompanying him are Tongga, deputy to Tibet Autonomous Regional People’s Congress and chairman of Committee on Nationality, Religion, Foreign Affairs and Overseas Chinese, Yundan, deputy to NPC and vice commissioner of Shannan Prefecture of Tibet.

“We live and work on the snowy plateau,” continued Padma Choling. “We have witnessed, experienced and benefited from the peaceful liberation of Tibet, the democratic reform, the establishment of the autonomous region and every his-

torical moment of the leapfrogged development. The purpose of our visit is to make known a real and developing Tibet.”

Padma Choling’s opening remarks would draw enthusiastic applauses from his audiences at every meeting and discussion with his hosts from Poland and Latvia either of parliamentarians, government officials or scholars. On various occasions, the delegation delivered real voices from Tibet and introduced in a comprehensive way great achievements of the economic and social development in Tibet.

During the 8-day visit, the delegation held over 20 official meetings. At Warsaw Social Psychological Institute, the president of the institute modulated a panel discussion for the delegation with some experts and scholars joined by about 100 students. Stories of Tibet were told and heard. When the delegation visited Latvia parliament, the Speaker adjourned the session to meet with the Chinese guests. Many parliamentarians went up and say hello, and more than ten of them joined a roundtable discussion with the delegation. Through meetings and functions the delegation achieved a goal of promoting understanding, clarifying differences and presenting a real Tibet to the audiences of the two countries. They all welcomed the delegation and hailed the opportunity to hear Tibet stories by Tibetans and enhance their understanding.

Deputy Speaker of Sejm of Poland met with Padma Choling in his office. “I look forward to this opportunity of receiving the Chinese NPC delegation in my office. Tibet is a wonderland to many Poles. I heard real stories of Tibet and Tibetan people of which few Poles have heard before. Polish Sejm wishes to host more Tibetan delegations visiting Poland in future, so that our people can listen to the voice from the snowy plateau directly.”

Vice foreign minister of Latvia said during the meeting, “I used to study in China for several years and had been to Tibet as tourist on several occasions. I discovered that some reports from Western media are hardly objective. In Latvia, there are many people who care about Tibet and want to know about Tibet. Young people in Latvia are deeply interested in Tibetan culture, and they look forward to going to Tibet for study.”

‘Appreciate the first-hand information on Tibet’

“We are Tibetans. We know Tibet all well. We are proud of progresses Tibet has witnessed,” started Padma Choling on various occasions during his trip.

Tibet’s economy is growing steadily and quickly. Since 1994 Tibet has realized double-digit growth for 19 consecutive years, with an annual growth rate of 12.7 percent on average.

Tibet has established a modern economic system with local characteristics. Putting the people’s interests first and seeking green and sustainable development, Tibet has adopted rigorous measures to rein in energy-extensive, high-pollution and high-emission industries. Integrating socioeconomic progress and environmental protection, Tibet strives to safeguard the long-term interests of its people.

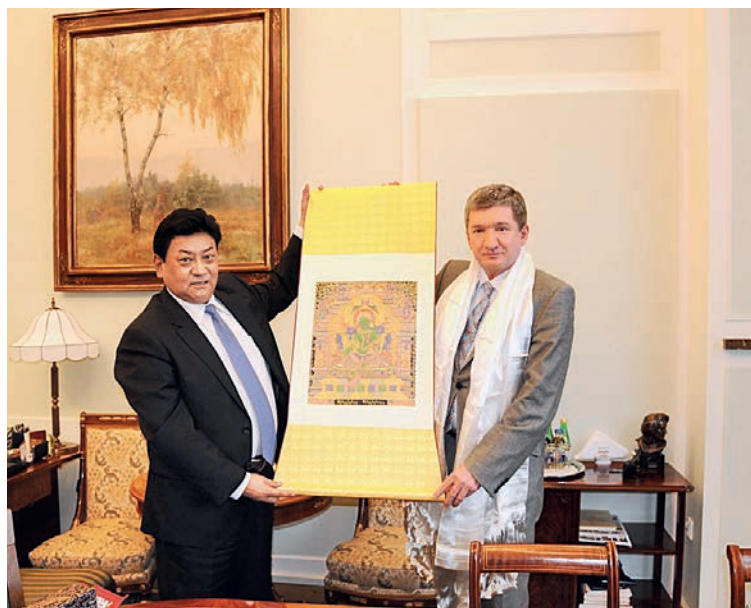
In the old days, as Padma Choling went on, Tibet had no roads in the modern sense, but today a comprehensive transportation system including road, aviation, railway, and pipeline transportation is being developed and improved. Every county and township now has access to road transportation. Sixty-two counties are accessible by tarmac roads. In 2006 the Qinghai-Tibet Railway began operation and the construction of the railway line connecting Lhasa and Shigatse will be completed this year. Now, people in Tibet enjoy convenient access to public transport services.

Padma Choling’s vivid account brought his audiences upon the snowy plateau as if they would be walking in the streets of Lhasa.

During discussions in Warsaw Social Psychology Institute, “the proportion of Tibetan people in Tibet is decreasing. There are over 1 million Tibetan people, while there are more than 2 million Han people,” said one of the participants.

Padma Choling pointed out, “The Tibetan people and people of other minority groups account for about 92 percent of the population in the whole Tibetan region, while Han nationality only accounts for 8 percent. The observation you made was no fact at all. We wish that you could get more information about Tibet with your own eyes instead of being led by rumors and misinformation.” His reply, frank and persuasive, won the recognition from the audience.

To a question concerning the preservation of Tibetan culture, Padma Choling said, “Tibet has 4,277 cultural relics sites (including 55 State-level ones and 210 regional ones), and 2.32 million items of cultural relics are in their collection.



From March 17 to 18, a delegation of Tibetan Deputies to the National People’s Congress pays a visit to Poland. Padma Choling (L), vice chairman of the Ethnic Affairs Committee of the NPC and chairman of the standing committee of Tibet Autonomous Regional People’s Congress, is presenting hada and gift to the deputy speaker of the Polish Sejm. *Han Mei*

The Potala Palace, the Norbulingka and Jokhang Temple are on the World Heritage List. Lhasa, Shigatse and Gyantse are honored as State-level Historical and Cultural Cities. Since 2000 the Central Government has invested 2.04 billion yuan in key projects for the preservation and maintenance of cultural relics in Tibet, among which more than 380 million yuan has been used in the three key projects of the Potala Palace, Norbulingka and Sakya Monastery.”

A heated discussion indeed. The audience learned a lot of firsthand information and observation about Tibet.

‘Deeply impressed by Tibetan stories’

It was the first time that the parliamentarians of Poland and Latvia sat respectively with their counterparts from China’s Tibet Autonomous Region. During the visit, Padma Choling, Tongga, and Yundan told stories that were happening around themselves, and what they told the audience was closely related with their own living and working experiences. “We used simple and vivid language to tell Tibetan stories and wanted to describe a real Tibet to our friends.” They said.

Bilingual education, with Tibetan as the principal language, is widespread in Tibet. At present, primary schools in all farming and pastoral areas and some urban areas use both Tibetan and Mandarin in teaching, but mostly Tibetan for the major courses. Middle schools also use both languages, and Tibetan classes in middle schools in inland areas also have lessons in Tibetan.

Padma Choling said: “laws, regulations, resolutions, formal documents, newspapers, radio and television program are all in bilingual Tibetan and Mandarin. Almost all primary and middle schools have enjoyed bilingual education. My grand-daughter is in a primary school in Tibet, and she not only learns Tibetan, but also learns Mandarin. As the chairman of the standing committee of Tibet Autonomous Re-

gional People's Congress, I myself use Tibetan language when I deliver the work report of the standing committee of the congress."

During the trip, all members of the delegation were dressed in Tibetan traditional robes, spoke Tibetan language and presented "hada" on formal occasions.

While talking about Tibetan people's life, Padma Choling said: "Tibetan people live in a big family composed of 56 nationalities. We can deeply feel the great love and care from the central government and all the other nationalities around the country. We are all living in happiness and dignity."

The delegation was asked a same question about religious belief again and again.

In Tibet, Tibetan Buddhism, Bon, Islam, Catholicism and some other religions coexist, and there are different sects within Tibetan Buddhism, expressed the delegation.

Currently, Tibet has 1,787 places for different religious activities, over 46,000 resident monks and nuns, and 358 Living Buddhas. The majority of the people in Tibet believe in Tibetan Buddhism. Traditional religious activities such as scripture learning and debate, degree promotion, initiation into monkhood or nunhood, abhisheka (empowerment ceremony) and self-cultivation are held on a regular basis.

In present-day Tibet it is not difficult to see prayer flags, Mani stones inscribed with Buddhist scriptures, and believers taking part in religious activities. Ordinary believers usually have a scripture hall or a Buddha shrine at home, and such religious activities as circumambulation while reciting

tonomy system has implemented. The successive Chairman of the Standing Committee of Tibetan People's Congress, Chairman of the Tibet Autonomous Region and President of the Tibet Senior People's Court are all Tibetans. The political, economic, cultural and social rights of people from various nationalities in Tibet are guaranteed." That gentleman was speechless.

Tibet is the third-cleanest area in the world with a clean and transparent atmospheric environment, after the South and North poles, said Padma Choling proudly.

Tibet has effectively protected its biodiversity and significant eco-function zones. A total of 47 nature reserves at various levels have been established. Nature reserves cover a total area of 413,700 sq km, accounting for 33.9 percent of the total land area of the region and leading all the other areas of the country.

Across nature reserves all the region's 125 types of wild animals and 39 wild plants under State key protection are well preserved. For instance, red deer, generally considered by the international animal research community to have been extinct, was discovered again in Tibet in the 1990s, and their numbers are increasing. The number of Tibetan antelopes is growing year by year to reach 150,000 so far. There are about 7,000 black-necked cranes in the region.

Wherever the delegation went during the trip to Poland and Latvia, the concluding remarks by hosts would be "Mr. Chairman, your delegation has brought us the first-hand knowledge and true stores about Tibet. We learned a lot."

'We know Tibet and we know the world'

Today, Tibet presents to the world a picture mixing traditional and modern elements, featuring economic and political progress, cultural prosperity, social harmony, sound ecosystem and a happy and healthy life for the local people.

We are born Tibetans. We know all well. It is a right path we have chosen by adhering to the socialism in the arms of the Chinese nation and turned Tibet from a place of poverty and backwardness to one of prosperity and civilization.

We know all well. Tibet would not have made this achievement without the support of the Central Government, without the assistance of the rest of the country, and without the concerted efforts of all ethnic groups in Tibet.

We know all well. Tibet's development can't be separated from opening up and foreign cooperation. By implementing opening-up and enhancing exchanges and communications, Tibet has absorbed the achievements of other civilizations to enrich and improve it.

We know all well. At present, people of all ethnic groups in Tibet and in the rest of the country are making combined efforts in fighting for the great renewal of the Chinese nation. We have every reason to believe that, in the course of this, the Tibet Autonomous Region will have a better future.

The trip this March was the 8th one made by the delegation of Tibetan deputies to NPC in the past six years, and this visit was also the first one that went to mid and east part of Europe.

Up to now, deputies to NPC from Tibet have visited the United States, Canada, Australia, New Zealand, France and Spain. All visits are warmly welcomed and highly appreciated. (NPC) ■

"Tibetan people live in a big family composed of 56 nationalities. We are all living in happiness and dignity," said Padma Choling.

scriptures, Buddha worship, and inviting lamas or nuns from monasteries to hold religious rites are normally conducted.

Padma Choling added a personal note. "I believe in materialism and my mother believes in Tibetan Buddhism. In spite of differences, we never interfere into others' belief and live together harmoniously. The example in my family could be an epitome about the freedom of religious belief of Tibetan people. The freedom of religious belief of Tibetan people is fully respected."

Vice Chairman of the Foreign Affairs Committee of Polish Sejm appreciated Padma Choling's personal story. "The story you have told us is very vivid, and has deeply impressed me. Tibetan people have the most convincing words about their own life."

A member on the Human Rights Committee of Latvian parliament said, "Autonomy has never been achieved in Tibet, and the freedom of religious belief has not been effectively protected. The human rights situation in Tibet is of a great concern."

"We implement a system of ethnic autonomy in the regions inhabited by minority nationalities. Since 1965 when Tibet Autonomous Region was established the ethnic au-



Zhang Dejiang (R), chairman of China's National People's Congress (NPC) Standing Committee, holds talks with Nigerian Senate President David Mark in Beijing on May 12. Yao Dawei

China, Nigeria pledge to cement parliamentary links

China's top legislator Zhang Dejiang and visiting Nigerian Senate President David Mark agreed in Beijing on May 12 to facilitate stronger parliamentary ties between both countries.

Zhang, chairman of the National People's Congress (NPC) Standing Committee, hailed the achievements of Chinese Premier Li Keqiang's visit to Nigeria from May 6 to 8, adding both countries enjoy huge potential for greater cooperation.

Zhang recalled his trip to Nigeria last year, in which he had reached broad consensus with Mark in enhancing parliamentary cooperation.

Calling exchanges between the NPC and the Nigerian Parliament an important part of country-to-country ties, Zhang proposed both sides enhance the sharing of experiences in governance, strengthen exchanges in legislation and beef up legal protection for bilateral cooperation in various areas.

The two countries face similar tasks of development as China is deepening its reform and Nigeria is committed to economic transformation, Zhang said. "Therefore it's necessary

for both sides to share their experiences, learn from each other and enhance research on governing a country," he added.

To cement bilateral exchanges in legislation would help respective country development, social stability and improvement of people's livelihoods, Zhang said.

"The NPC would like to work closely with the Nigerian Senate to give full play of the roles of the legislatures, and to boost China-Nigeria exchanges in diversified areas such as trade, investment and culture," he said.

Calling China a true reliable friend, Mark said China's support and aid for economic and social development of African countries including Nigeria was of profound influence.

The Nigerian Parliament hopes to further boost friendly ties with the NPC, enhance exchanges among leaders of respective legislatures and special committees, and facilitate greater bilateral cooperation in areas of trade, investment and anti-terrorism, he said.

Invited by Zhang, Mark is visiting China from May 10 to 13. (Xinhua) ■

Xu Zhenchao: being a deputy, embracing a wonderful life

“Whatever requested by our front-line workers about better pay has been reflected to the session. I will keep you informed about how our suggestions are being handled.”

“The platform is open for you to share with me in what way you would like your working and life conditions to be improved.”

Xu Zhenchao, who opened the “Zhenchao Channel” on the platform for interactions among enterprise staffs, responds to the requests promptly over the internet. Xu is not only a role model whom his fellow industrial workers feel proud of but also an NPC deputy whom workers across the country count on. He works hard and represents well.

After the NPC session concluded in mid-March this year, Xu came back to Qingdao port, his battlefield. The car took me through the subsea tunnel, passing by busy construction sites one after another, and finally reached the destination of Qianwan port area.

It is a forest of containers, one above one, one row after another, stretching as far as one can see. Shuttling in the port is like driving in a city full of high-rise buildings, rarely seeing anyone and the trucks passing by once in a while. Several minutes later, we arrived and saw a dozen of bridge cranes on the bank, each as tall as 60 meters, used for loading and unloading containers.

“What you see is what modern port looks like.” With such familiar scenes in front of him, Xu feels quite proud and relaxed, like being at home.

Being located in Huangdao district, Qianwan port area began operation in the beginning of this century. Xu knew well that many years ago it was just a mudflat. In 1974, Xu started his career as a wharf worker in Qingdao port, a small and dilapidated one at that time when he was 24 years old. He was only a new hand with junior high diploma and no related working experience. However, he worked hard, from an electrician to gantry crane driver, later became one of the first bridge crane drivers when the container cooperation was established in Qingdao port, and now the head of bridge



Standing on the bridge crane where he is so familiar with, Xu Zhenchao feels relaxed. Xie Sufang

Fellow workers like talking with Xu from whom they can always learn something new and with whom age and rank don't matter too much.

crane team. He is as common as we are, but what he did was uncommon.

“The government says that the country should rely on working class wholeheartedly. Sometimes I ask myself, do I deserve the trust, and am I capable enough to be relied upon?” Bearing responsibility in his mind, Xu touched on the times of trials and tribulation lightly and seldom talked about his extraordinary achievements. What workers should do, in his words, is to work for the industrial modernization of the country.

Upon seeing his fellow workers, Xu shared his experience of joining the NPC session. “I submitted another proposal this year about training more technical talents and improve their treatment. The 18th Party Congress said that the labor and technical factors shall participate in the distribution,



however it still doesn't work if the ruler we have is without scale. The scale is just what I proposed, to improve the technical subsidy system for technical talents, ensure that the standard for subsidy should be in proportion to the economic benefits of the company and salary level of the staff. In addition, the technician, the senior technician, and the technical staff should enjoy equal and fair treatment." Xu's words were followed by a big round of applause.

How the 'Zhenchao efficiency' was tempered

Xu worked as a bridge crane driver for his whole life.

Xu's job is hailed as the first job in Qingdao port, given the fact that the efficiency of loading and unloading is the lifeline for shipping companies to win the fierce market competition.

"Now we can load and unload 38 containers in one hour, meaning that less than 2 minutes each. Quite fast, isn't it?" Xu showed us how to operate the machine in the driver's cab in 45 meters above the ground. It is not an easy task, concentrating your mind, looking down through the porthole under the feet to anticipate the movement of the slings, controlling the direction and speed with both hands, being sharp-sighted for every quick hitch and smooth landing. The bridge crane

can handle two containers at the same time, each weighing 35 tons.

It took long-time practice to be a good crane driver. "The bridge crane is more difficult to be controlled than the tyre crane of the yard. Although most of the equipments nowadays are automatic, they don't work without men. Since the crane is so high, the speed is so quick and the goods are so heavy, a qualified driver should be with expertise, responsibility and physical fitness." Guo Lei is an excellent bridge crane driver and just selected as chief technician in Qingdao. He told me that no teaching material for bridge crane operation was sold on the market, so it was Xu and other senior drivers who taught and trained them.

Guo Lei was so glad to see Xu, the team leader, that they started talking upon seeing each other, not chewing the fat, but targeted discussions on functions and defects of the new equipments, how to operate them, etc. Fellow workers like talking with Xu from whom they can always learn something new and with whom age and rank don't matter too much.

"Xu is curious of learning and never seen without a book in his hand after work. He is over 50 years old but still hungry for knowledge." Liu Yang, joined Xu's team after graduation in 2001, and later the leadership not long ago, said that Xu's learning spirit is the most impressive. "The electric control systems of bridge crane are made abroad and the instructions are all written in English. To know how to use the system, he kept the dictionary with him all the time and finally we found out that he knew some words even we don't know."

Xu was so hardworking and innovative-thinking that he gained know-how from practice and created many new techniques for quicker and safer operation, and some other ports in the world came here to learn.

Talking about the praise and honor, Xu said, "I didn't care about too much, just think about how to work in a smart and less tired way. Afterwards, I came to understand what we did would hit the point."

Being a worker and being proud of it

As a front-line worker, Xu knows well that workers' quality matters. "Why we are only a big country of industry, but not a power of industry? Among various reasons, the most important one, in my mind, is that a large number of workers are of low level in technique, and we are especially lack of high level talents."

After being in charge of the bridge crane team in 1993, Xu shifted his attention towards training "successors", compiling a series of training materials on operation and techniques by himself, being well-known for the story that it only took 60 hours to train somebody to be a qualified driver. With his help, most of his apprentices have become core talents.

The ripple effects of what Xu did to encourage the team members to grow made workers of the whole Qingdao port eager to learn and most of them got technique titles. "It is such a coherent team that we work together for the same goal. We feel good working here." said Liu Yang.

What his apprentices achieved made Xu feel truly happy. However, as a deputy to NPC representing workers and member of the standing committee of China Association for Science and Technology, Xu worried more about the workers' quality in the nation as a whole. "High-level technical talents



Xu Zhenchao (C) is very famous as he has many titles. However, when he returns to the port, he is still the group leader who always cares for the life of his members but is strict with them in work. Xie Sufang

or we say technicians and senior technicians, only account for 4 percent of all technical workers more than a decade ago. It became better these years, however, still less than 7 percent. In other countries, the proportion can reach 30-40 percent. From this we can see that in China many medium or high level technicians are still doing basic work, and also we should better select and train those talents. Many enterprises introduce advanced equipments to be transformed and upgraded for higher efficiency, but they don't have competent talents to use them. Soft power is about deeds rather than words."

A critical shortage of high-level technical talents has become a worrisome issue for various areas of the industry. Xu called for changing the status quo by accelerating talents training and improving their treatment in the first place. Then efforts should be taken in strengthening the mechanism for training, assessing, using and encouraging the technical talents, formulating system environment for them to play a role, building a capable and reliable team to support the economic and social development. "The government should invest more in technical education, and the enterprises should play a major role in talent training, thus to make labor and technical elements participating in the distribution. As a representative of workers, I proposed these suggestions these years."

"Being a worker is an honor, which makes people willing and happy to do so." Xu holds that we need policy and value guidance, so the government should have more investment in

"I represent workers, so I should speak for them. This part of experience makes my life more meaningful," said Xu Zhenchao.

technical education, especially the infrastructure and faculty, and treat technical education and general education equally instead of separating their budgets.

No stranger to law-making

During lunch break, fellow workers rushed to see Xu, excited and sharing the lunch. Xu showed them the photos he took in the NPC session.

It is Xu's team, working collectively towards the same direction, and living like family members. Actually it didn't come easy, and to do that, Xu read a lot about how to be a good manager and how to make rules.

There is a manual hanging on the wall of each crane control room. It is a book of experience of Xu and other senior drivers, about how to operate bridge crane both under normal conditions and emergent situations like windy, rainy or snowy weather. It is the very first such manual

used in Qingdao port.

Xu also drafted the quality management system for the container company, including equipment, safety, tools management and other aspects. To make it more effective, targeted and operable, each article was repeatedly discussed by the fellow workers.

The experience of system-building helped Xu a lot in his later career. In 2008, he was elected as deputy to the 11th NPC and member of NPC Standing Committee. Every year, the NPC Standing Committee needs to make and revise many laws. "My job is only about the wharf area and I didn't understand well about law-making. However, my experience of building the management system and making technical standards give me some clue in this regard."

Xu cherished the opportunity of being a member of NPC Standing Committee and was never absent on the meeting. On the contrary, he prepared well before hand, and stood for the interests of grassroots and disadvantaged groups. "I represent workers, so I should speak for them. This part of experience makes my life more meaningful." In 2013, he was reelected member of 12th NPC Standing Committee.

In February this year, the 7th session of NPC Standing Committee did a reading on the draft revision of Work Safety Law, the very first one since the Law was put into force in 2002. The container bridge belongs to special equipments and Xu was quite familiar with it. He knew well about the importance to ensure safe operation and he committed himself to studying the draft version word by word, line by line. "I care too much about safety, and even the sound of phone call in the evening may bother me for the whole night."

"I am for the revision of the law. Accidents happen because of either misbehavior of men or unsafe condition of objects which is also done by men. Safe production is actually about safe behavior under the framework of laws and regulations."

It is stipulated in the revision draft that the responsibility of stopping and correcting misbehavior concerning safe production should be taken by the specific management personnel. Xu disagreed. In his opinion, the person who wrote the draft confused the supervision relationship inside the company and it should be the person in charge of the enterprise that bears that responsibility. "The revision of law must be reality-based and practical, otherwise, it's just empty talks."

"Some fellow workers and internet users also sent me suggestions about revision of the law. I will bring them to the next reading, and discuss with other members to make the law a truly effective one in improving working environment, safeguarding workers' interests and meeting the requirement of safe production in the next phase of development."

Currently, the Work Safety Law is still in the reading process, and the suggestions provided by Xu and many other members will be taken into consideration for further revision.

Being a man, behave yourself

After awarded the National Model Worker in 2005, Xu became well known not only in Qingdao, but also in all walks of life across the nation. More titles came to him afterwards, such as member of the Standing Committee of National Association of Science and Technology, deputy to NPC, member of NPC Standing Committee and vice chairman of All-China

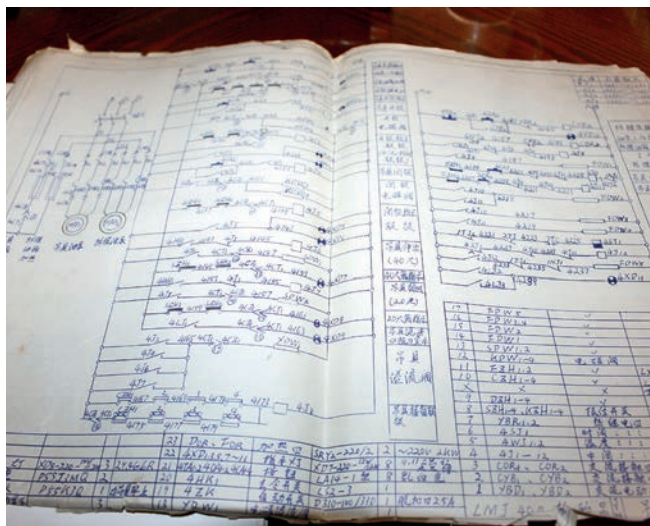
Federation of Trade Unions, which in his mind may come and go, but his heart remains.

Born into a worker's family as the eldest son, Xu and his four younger brothers and sisters are all workers. When Xu got the awards and titles one after another, his brothers and sisters were laid off and did some odd jobs. Xu helps them with his salary, but never uses his influence to find a job for them. "When I was elected as a deputy, I have my rules which may not be recognized by others, but I persist." He said seriously.

However, Xu is full of enthusiasm in helping others. When the fellow workers get married, when their wives give birth to babies, and when their parents fell ill, Xu was always being with them. His feeling towards his team members is like parent towards children. He took the coach to visit the family of his team members far away during the Spring Festival, only to express greetings and gratitude. He felt anxious about someone in his team not having meal on time. He stopped the single child from risking life, and rushed to the battlefield himself.

To do good things, you need to be a good person. "In my opinion, a good person means no harm to others, not eat one's words, and not break the rules. It is actually not that difficult as we imagine."

As one of the first National Model Workers, Xu thinks that what he did is not worth mentioning, but the good deeds done by good persons must be known to more people. "Men at their birth are naturally good. Without teaching, the nature will deteriorate." The traditional virtue was ignored because of improper education, making fame and wealth dominate people's heads, bringing about negative impact upon the society. "When the whole society is debating about whether one should help an old person or not when he or she falls down, I fell unbelievable. It should be out of the question, isn't it?" Xu sighed. "Moral decline, being impetuous and frivolous, they are not what we'd like to see. The socialist core value should be promoted through nation-level policy guidance and system support. This is also what I advocated for in this year's NPC session." (NPC) ■



In order to pass on his experience to his successors, Xu Zhenchao compiled teaching materials for the operation and maintenance of bridge crane. Xie Sufang

Hangzhou

A Picturesque City

