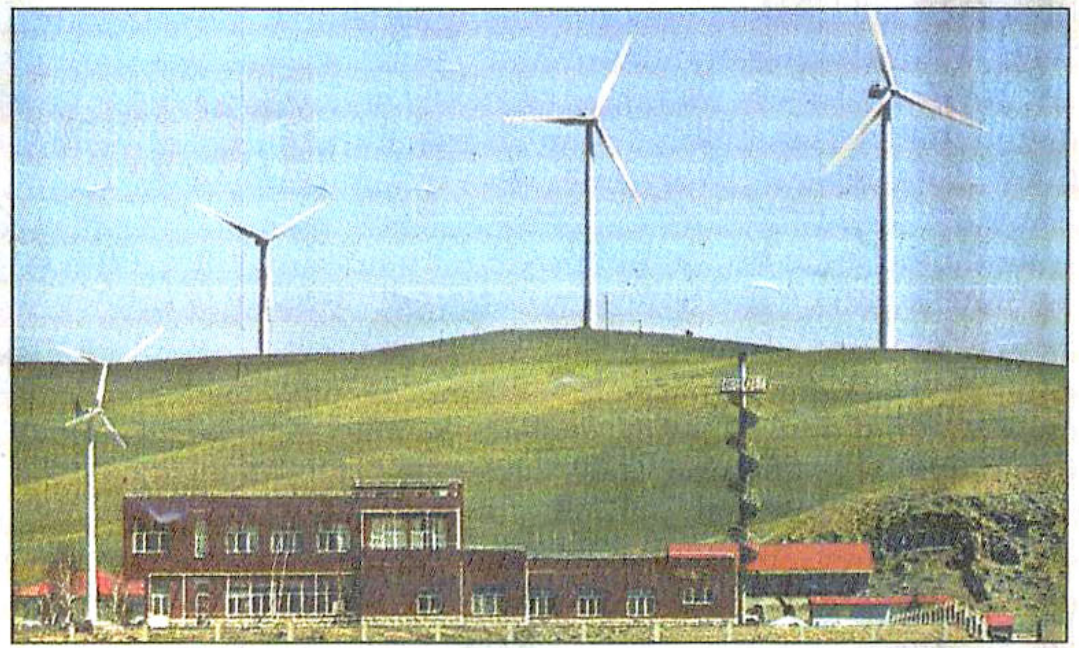


Highspeed train: The Chinese moving much faster than before.



Windmill in China: Towards clean energy.

Harmonious world: China's ancient philosophy for new international order

LI SHIJIA

CHINA, together with Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, staged a joint anti-terrorism exercise in mid August this year, the fifth drill launched within the framework of the Shanghai Cooperation Organization (SCO) since it was founded in June 2001.

The drill, dubbed "Peace Mission 2007", was a practice run of anti-terrorism procedures, but its underlying aim was to strengthen military cooperation between China and central Asia.

Despite the show of military force, like the joint military maneuvers China has participated in with other countries, including the United States, it served to promote mutual trust among the participants.

"Such efforts are clear indication that China aspires to promote peace and harmony by reducing conflict in the world," says Ruan Zongze, deputy director of the China Institute of International Studies.

The "harmonious society" is a political catchphrase in China today, by which President Hu Jintao aims to lead the government in closing the wealth divide and easing growing social tensions. The concept of a "harmonious world" is an extension of Hu's domestic policy into the arena of foreign relations.

Philosophical Traditions
Looking at the 5,000-year history of

China, it becomes apparent the word "harmony" is not freshly coined political jargon, but a philosophical tradition.

Thousands of years ago, Chinese carved the character "He", which means harmony and peace, on tortoise shells, and philosopher Confucius (551 B.C. to 479 B.C.) expounded the philosophical concept of "harmony without uniformity", meaning a world is full of differences and contradictions, but the righteous man should balance them and achieve harmony.

Italian missionary Matteo Ricci, who came to China more than 400 years ago, wrote after studying Chinese history, and especially after comparing the Chinese and European history, that the Chinese were contented with the status quo and cherished harmony and peace. The Chinese nation by its nature had no ambition for overseas conquest, he concluded.

"The thought of harmony is a major component of the Chinese culture that highlights a harmonious union of people," says Professor Zhang Lixun, of the Beijing-Based Renmin University.

Harmony means coordination, combination, integration and peace among different elements. "It's a reflection of the Chinese people's ethical principles and a basic element of China's modern diplomacy."

Late premier Zhou Enlai played a crucial role in formulating the "Five Principles of Peaceful Coexistence" in 1954, which are now the funda-

mental guidelines for international relations; in the early 1980s, Deng Xiaoping proposed the "independent foreign policy of peace"; and since the turn of the century, the Chinese leadership has pledged to take a "path of peaceful development".

"The continuity in the strategies of different generations of Chinese leaders shows that China, facing a complex and changing world, has always regarded peace and harmony as a priority," says Ruan Zongze.

In 2005, as China started to advance social harmony in the domestic sphere, it also declared its pursuit for building up a harmonious world in the international arena.

President Hu Jintao advocated this concept at the United Nations' 60th anniversary summit, saying: "Multilateralism, mutually beneficial cooperation and the spirit of inclusiveness should be upheld to realize common security, prosperity, and to build a world where all civilizations coexist harmoniously and accommodate each other."

President Hu pointed out that the inevitability that China would develop peacefully was based on its national circumstances, historical and cultural tradition and world development trends.

At the end of 2005, the Chinese government for the first time issued a white paper on peaceful development. "Harmony" was described as the building of a peaceful and prosperous world as the ultimate goal of

China's development.

During a national meeting on foreign affairs in August last year, the government vowed to create a sound international environment and favorable external conditions for the country's development and to contribute to the construction of a harmonious world.

Advocating Multilateralism

The upholding of multilateralism has been the striking feature of China's diplomacy over the past few years, as the country engaged more with international and regional organizations.

This strategy was outlined in the report of the 16th National Congress of the Communist Party of China in 2002, and guided diplomatic work in the next five years. The report says, "China will take an active part in multilateral activities, and play a constructive role within international and regional frameworks."

Multilateral diplomacy advocates relations with more than two nations, and it is more open and inclusive than diplomacy between just two countries, says Wang Mingjin, a research fellow with the Chinese Academy of Social Sciences.

China has taken multilateralism as the long-term strategy for two reasons, Wang says. The first is that China would like to work with other countries to handle problems facing the whole international community, such as terrorism and climate change.

Second, China hopes more

countries will work together for economic development.

China attended the G8 summit meetings concerning climate change in Germany in June last year, pledging to reduce the greenhouse gas emissions and protect the environment.

Last year, China hosted three summits with nations from Africa, central Asia, and southeast Asia.

The Beijing summit of the Forum on China-Africa Cooperation last November brought together more than 40 leaders and heads of state from Africa. The SCO summit began drafting cooperation codes in various fields to legally guarantee long-term, good neighborly and friendly cooperation. The China-ASEAN Summit marked 15 years of dialogue and partnership. It raised a proposal for cooperation in strategic, economic, security and cultural spheres.

"China's diplomacy has become more active and mature as the country's national strength developed," says Wu Jianmin, president of the Foreign Affairs University.

Interaction with World Powers and Neighbors

The five United Nations Security Council permanent members and other major economic heavyweights are the most important movers and shakers in the world arena, and China's interactions with them could well decide many issues relating to peace and security.

After five years of deadlock, relations between China and Japan

have finally begun to thaw. Chinese Premier Wen Jiabao paid an "ice melting" visit to Japan in April 2007, the first-ever tour by a Chinese premier in seven years. The two sides agreed to develop a "strategic and mutually reciprocal" relationship.

China's relationship status with the United States has upgraded from "stakeholder" to "constructive cooperation" as the two nations face common interests and challenges.

In the economic sphere, China has become Japan's biggest trading partner, and two-way trade between China and Japan exceeded 200 billion U.S. dollars last year. China-U.S. trade was worth more than 260 billion U.S. dollars in 2006 and is expected to rise to 300 billion U.S. dollars by 2010, according to the Chinese statistics.

Trade and security cooperation is becoming the cornerstone for the relationship between China and the major powers, and a new aspect of China's diplomacy.

To resolve the rising number of trade disputes, China advocated strategic dialogues with the U.S., Japan, India and Russia. China and the U.S. started their first economic dialogue in 2006.

To promote understanding and exchanges between the peoples, China has held a "year of culture" each with France, Italy and Russia.

"China has engaged in more interactions with the major powers, and its role in balancing the relationship among major powers cannot be neglected," says Jin

Linbo, a researcher with China Institute of International Studies.

Maintaining peaceful borders with its neighbors is a top priority of China's foreign policy. Along frontiers with Vietnam, India and Russia, former battlefields are witnessing booming cross-border trade.

With the principle of equal consultation as well as mutual understanding and accommodation, China has signed boundary treaties or agreements with 12 of its 14 neighbors, demarcating 90 percent of its 22,000-kilometer land border.

On the disputes over oceanic resources, China proposed the principle of "shelving differences for joint exploration" and has reached agreements on joint development of mineral resources with neighbors, including Vietnam and the Philippines.

Engagement in World Affairs

China's aspiration for harmonious ties with others is demonstrated in its substantial engagement in world affairs and conflict resolution.

The country has actively participated in United Nations peacekeeping operations. At present, about 1,600 Chinese personnel are serving in ten countries, including Sudan, Lebanon, and Liberia.

China has always been a staunch supporter of political means to resolve the nuclear issues in the Korean Peninsula. The Democratic People's Republic of Korea has shut down its nuclear facility at

Yongbyon, the initial step towards nuclear disarmament.

To boost the development of African nations, China adopted a series of measures and will provide aid initiatives worth more than 10 billion U.S. dollars over the next three years. Also, China offered aid and funds to countries hit by natural disasters. It also offered emergency aid to disaster victims in developed nations.

On the thorny Darfur issue, China has maintained communications with Sudan through high-level visits, special envoys, and direct contact between leaders, advising Sudan to cooperate with the UN and the African Union and to take active steps to ease the situation in the Darfur region. China also appointed a special representative Liu Guijin for Darfur, who has been shuttling between the two continents.

"China has become an active mediator in international conflicts and helped regulate international rules," noticed Chen Xulong, deputy director of the Department of Strategic Studies of the China Institute of International Studies.

Harmony, the ancient Chinese philosophical concept reflected in modern diplomacy, will guide China to achieve stability and prosperity and play a positive role in forming the new international political and economic order, Chen says.

(China Features)

Chinese manufacturers attempt to ditch 'cheap' image

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venture in Uruguay.

Cars are not the only Chinese commodities flooding Latin America. Guangdong-based home appliance giant Gree supplied about 2,400 air conditioners for the Pan American Games media center and athletes quarters in Rio de Janeiro, Brazil. Some 5,600 athletes and journalists from 42 countries and regions cooled off to China-made air conditioners.

ZTE Corp., a Chinese telecom supplier, sold 1 million cell phones in the first half of 2007 in Venezuela and plans to invest in a local cell phone manufacturing base churning out more ZTE handsets. With relatively low prices, high quality and technological advantages, including 3G and other technologies, ZTE has drawn local partners in Brazil, Peru, Venezuela, Argentina and Colombia. The latest available revenues of ZTE in Latin America were 400 million U.S. dollars in 2005.

China also has some already recognized brands, such as Haier, the world's fourth largest electric appliance manufacturer, which has been promoting innovative high-end refrigerators since April in Latin America. Haier says it has received orders from dozens of countries.

To some extent, these quality products have provided a counterbalance to recent controversies over Chinese exports to the rest of the world. The "poisonous toothpaste" issue, the Panama medicine issue and the U.S. ban on marine exports earlier this year aroused distrust of Chinese exports worldwide. For some, "Made in China" seems to mean "Buyer beware".

Foreign Ministry spokesman Qin Gang has said that China had been very responsible to ensure the quality and safety of its exports, in processing, packaging, delivery or sales. The government has striven to implement laws to supervise and manage the product manufacturers.

More than 99 percent of food exports to the U.S. in the last three years met U.S. quality standards, higher than the equivalent figure for U.S. food exports to China, Qin said. "Products with problems are a tiny minority,



those reported by the media cannot blemish all Chinese exports."

Qin acknowledged the controversial products stemmed from misunderstanding, unscrupulous vendors at home and abroad, and different regulations and policies in imports and exports examination between China and other countries.

Lin Wei, a senior official with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), says that the government has focused on food safety problems and increased regulatory oversight gradually.

The AQSIQ announced on July 11 that toothpastes containing diethylene glycol (DEG) were banned from import and export. In exceptional cases that the chemical finds its way into toothpaste with other ingredients, quantities must not exceed limits set by importing countries or regions. Toothpaste factories have been banned from using EG as an ingredient.

The AQSIQ says the long-term use of toothpaste in which the

DEG content is less than 15.6 percent would have little adverse effect on the human body. None of the data suggested that toothpaste containing this substance had directly led to the harm.

The statement was intended to highlight China's efforts in raising industry standards to the levels of those in other countries.

The Oral Health Supplies Certification and Management Regulation has been formulated by the State Certification and Accreditation Administration (CAA) and the Ministry of Health. The CAA is also drawing up stricter certification and grading procedures for the toothpaste industry in China in line with the oral health supplies certification standard of the American Dental Association.

No evidence was found to support any organized violation of product safety standards in China and the government has taken drastic measures to locate and punish companies that do break the law. However, voices of doubt abroad may still deter consumers from treating Chinese goods objectively.

Yu Lixin, a research scholar at the Chinese Academy of Social Sciences' Institute of Finance and Trade Economics, urged Chinese firms to improve the image of Chinese products.

"China should satisfy the demand for higher-end products in the international market by adding innovative features," Yu said. "China should transform itself as soon as possible from a powerful trading country to a country with innovative competitiveness."

Competitive Chinese companies, with their own intellectual property rights, are advised by Yu to show their products at international fairs and other global showcases.

Future international competition lay in struggling for intellectual property, technical standards, and other non-tariff barriers, Yu warned.

"The government will play an irreplaceable role in perfecting the industry technical standards, which can't be accomplished in a short time," Yu said. (China Features)

China's healthcare system receives recovery treatment

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venience.

Zhang's son, Wang Qi, usually makes appointments for her, rushing to the hospital early only to find a long queue in front of the registration window another reason for Zhang not to see a doctor about her dizziness.

Her unwillingness persisted until she fell down the stairs of her apartment block.

The doctor said she had a brain tumor, which was still treatable but only with immediate surgery.

Since the operation, Wang Qi, a 27-year-old bank clerk who earns just 2,000 yuan (267 U.S. dollars) a month, has scrimped and saved and investigated every possible avenue to pay his mother's 100,000-yuan (13,300 U.S. dollars) medical bill.

He still hopes China's medicare system might help.

Coughing Up the Cash

When Zhang was still working in 2000, she joined a "medical insurance system for employed urban residents" through her factory, or "danwei", having 2 percent of her monthly salary automatically submitted as premiums to her account at the local social security service center.

A 1998 State Council decision that launched China's medicare reform allowed urban employees, including pensioners, to join locally-operated medicare systems, combining personal insurance and social security.

Smaller outpatient treatment fees are mainly paid from the personal account, while larger hospitalization expenses are paid mainly from the social security fund.

Pensioners are exempted from paying the premiums. Zhang, with a monthly pension of 1,000 yuan (133 U.S. dollars), receives 1,200 yuan (160 U.S. dollars) a year from her personal account for outpatient treatment.

"Actually, the government will let pensioners have free outpatient services. If they see the doctor frequently, they still have most of the outpatient fees refunded," said a staff member with the social security service center of Chaoyang District in east Beijing.

However, larger medical expenses for surgery and hospitalization are still a major financial burden for the ill. The government encourages enterprises to establish supplementary medical insurance for their staff, mainly for medical expenses not covered by

the medicare system.

But Zhang's factory was on the verge of total financial collapse.

"About half of my mom's medical bills were reimbursed via medical insurance," says Wang Qi.

"The medical insurance only covers part of the surgery cost for complicated services like brain surgery, but we still have a huge amount to pay ourselves," says Wang.

The Collapse of the Free Medical Service

Under China's planned economic system last century, Zhang enjoyed completely free healthcare. The work unit, or danwei, provided everything.

The danwei provided for all needs, including subsidies for daily necessities, education, transport and housing. A generation of Chinese are still nostalgic over food coupons for staples like eggs and meat.

"The danwei was omnipotent," says Tian Ying, 51, a retired accountant of a state-owned cotton textile factory.

Tian says people at that time had few wants as everyone had a similar standard of living and the low salaries were enough to get by. "If you needed an operation, you asked the danwei to pay the medical fees, even for your children. Everything was free."

However, Tian says, many danweis could not afford to maintain the welfare from the cradle to the grave. "Gradually the burgeoning medical bills became too much, and if your danwei was rich, you were very lucky."

Financial departments were the danweis' busiest offices. Workers rose early to have medical bills reimbursed through a small window, but usually after a morning, the accountants had to tell waiting queues that the money had run out.

"The problem was that the free medical care resulted in a huge waste of resources," says Tan Shen, a research fellow with the Chinese Academy of Social Sciences, a government think-tank.

Medicare for Everyone

The central government began to reform the healthcare system in the 1990s after finding the dilapidated public-funded medicare system was no longer effective.

In 1998, urban employees began paying 2 percent of their salaries for their personal medical insurance accounts, and employers

were obliged to contribute 4 percent of their total wage bill to a social security fund operated by local governments.

"This has separated employee medicare from the danwei system, and greatly reduced enterprises' financial burden. It has made it easier to rejuvenate state-owned enterprises," says researcher Tan.

However, the health sector is coming under growing criticism for rocketing medical fees, inaccessibility, poor doctor-patient relations and the low coverage of the medicare system.

Statistics from the Health Ministry show that soaring medical costs have plunged many rural and urban Chinese back into poverty, with one third of rural patients choosing not to go to hospital and 45 percent of rural patients discharging themselves from hospital before fully recovering.

A survey released last December by the Chinese Academy of Social Sciences showed healthcare expenses had risen to 11.8 percent of average household consumption, exceeding spending on education and transport, a very high percentage even compared with developed countries.

A 2005 report by the Development Research Center under the State Council, China's cabinet, harshly criticized the health sector reform and concluded that reforms over the past decade were "basically unsuccessful". The report stirred a public debate over the path of China's reforms of the healthcare system.

The government is yet to decide on a long-term policy. Experts are still comparing reform paths by studying different medicare systems and proposals. The thorniest issues are funding and management structures.

However, the government took a major step this year, extending access to reasonably priced medical care and insurance to 80 percent of Chinese counties and more urban residents, including those without danwei.

Official statistics show just 157 million of the country's 1.3 billion people were covered by medical insurance at the end of last year, most of them urban workers and pensioners who had danwei.

This year, urban residents including children and the self-employed who are not covered by the "medical insurance for urban workers" can be insured through the "medical insurance for urban

residents". Local governments will allocate funds to partially cover major treatments.

"Urban residents without danwei, including the self-employed and private business owners, can now be covered," says researcher Tan Shen.

One reform plan that might be adopted is to change a number of public hospitals into community medical service providers that offer almost outpatient services for residents and migrant workers, says Liu Xinming, a Health Ministry official in charge of medical policies and regulations.

The rural cooperative healthcare system, founded in 2003, will cover 80 percent of all China's counties before the end of the year and all rural areas by next year, to help China's 900 million rural dwellers.

About 50.7 percent of the country's rural areas, or 1,451 counties, were covered by the system at the end of last year, with 410 million farmers, 47.2 percent of the rural population, signed up. Last year, the system raised 21.36 billion yuan (2.85 billion U.S. dollars), and spent 15.58 billion yuan (2.08 billion U.S. dollars), statistics show.

Participants pay 10 yuan (1.3 U.S. dollars) a year, while the state, provincial, municipal and county governments jointly chip in another 40 yuan (5.3 U.S. dollars) for the cooperative fund. Farmers who contribute then get a proportion of their expenses refunded according to the treatment they receive.

The State Council earlier this year adopted a five-year plan to further develop the public health system, which promises to establish a basic medicare network covering the whole population by the end of 2010.

The public health service network will include rural cooperative medicare, urban community medical services and public hospital management systems.

However, a unified national medicare system is still a long way off due to the low level of urbanization, widening wealth gap, and vast contrast in regional development, former Health Minister Gao Qiang has said.

A final version of the medicare reform policy will be unveiled after authorities compare reform schemes and solicit public opinions, according to him. (China Features)