

# Beijing Olympics showcases a mature China

REN KE

FOR most of the people, the Beijing Olympics was unforgettable. They will remember Usain Bolt and Michael Phelps, and those athletes who won their countries' first ever medals. The Chinese will remember most not the record of 51 gold medals, but the jubilant 16 days they presented to the outside world.

From Aug. 8 to 24, the Games were in the world's spotlight. Besides the joy and sorrow they experienced at the sports events, visitors were entertained by the hospitable citizens and volunteers, the well-organized events, and the fantastic sports venues.

"These were truly exceptional Games," said International Olympic Committee (IOC) President Jacques Rogge, before he declared the Games closed in front of 90,000 jubilant spectators in the National Stadium, or the Bird's Nest.

Since the Olympic flame was extinguished on the evening of Aug. 24, the jubilant mood lingers in the hearts of ordinary people. A Beijing resident named Bu Ju remembered the excitement.

"When I was in the sports venues, the most English words I said were 'Where are you from,'" said Bu. "It was like a huge international party. I was very proud of the country hosting the whole world."

The Games attracted a record number of participants from a record 204 IOC member countries and regions. At the opening ceremony, more than 80 heads of states and governments were present, the most in Olympic history. American broadcaster NBC found the Games was the most watched U.S. television event of all time.

Although the IOC appealed against attempts to politicize the Games, many people still view the Olympics from beyond the sports and thus attendance or non-attendance became a political issue in some countries.

After earlier hinting that he would not attend the opening ceremony, French President Nicolas Sarkozy finally appeared in the Bird's Nest on Aug. 8.

"When the international community voted for Beijing to host the Games seven years ago, they had trust in China's reform and opening-up policy," said Professor Hu Angang, professor with Tsinghua University. "The clustering of foreign state leaders and elites at the opening ceremony again showed that the international community had voted in favor of the direction of the country's development."

China's development dates from 1978, when the whole country had just emerged from the mass mania of the 10-year Cultural Revolution. The people were more focused on trying to feed themselves, and hosting an Olympic Games was inconceivable. China even had to give up hosting the Asian Games in 1978 because it lacked enough sports facilities.



The past three decades have seen an average GDP growth rate of almost 10 percent a year, making China the world's fourth largest economy after the United States, Japan and Germany. With economic power, China had put 40 billion U.S. dollars into hosting the Games.

In 2001, China entered the World Trade Organization (WTO), the same year it won the bid to host the 2008 Olympics.

"After 30 years of development, China, with a population of 1.3 billion, has really become a part of the world and the biggest stakeholder," said Hu.

The Olympics gave China another chance to adopt international practices. IOC officials, foreign administrative teams and foreign sponsors were engaged deeply in the Games. From the design of the Bird's Nest, to the broadcasting and administrative work, they helped improve the level of the Games.

More international cooperation, more foreigners in Beijing. Currently, the city's police department estimated almost 500,000 foreigners were in Beijing, permanently and temporarily, a 42-percent increase over the same period the previous year.

"When I saw foreigners in Beijing's streets a decade ago, I probably would stop and look at them," said Bu, "but I will not do that again. Foreigners are a dime a dozen here."

Changes are huge compared with the 1990 Asian Games in Beijing. A veteran Chinese journalist recalled that during the Asian Games, volunteers acted like guards and policemen in front of journalists. They often stopped "suspicious" persons for questioning.

"Yet, during the 2008 Olympics, every volunteer had a smile, and journalists faced few difficulties in reporting," the journalist said on condition of anonymity.

In the meantime, Chinese people also learned about human rights in foreign countries. The Chinese authorities set up three designated protest zones in three parks, two in downtown and

another in the outskirts of the city. Although the zones saw no protests, police officials said that as the government resolved the complaints after negotiations with applicants, the would-be protesters withdrew their applications.

When being proud of leading the gold medal count, the Chinese showed none of the excessive nationalism feared by some foreign media before the Games. As some internet users said, China did not need gold medals to show its power.

"Through these Games, the world learned more about China, and China learned more about the world," said Rogge in his speech at the closing ceremony.

Hosting the Games was more of a challenge considering the ordeals China experienced this year. The year of the mouse in the traditional Chinese lunar calendar has been extraordinary, featuring natural and man-made calamities. In March, Tibetan separatists

ran riot in Lhasa and the Tibetan-inhabited regions in neighboring provinces. On May 12, the 8.0-magnitude earthquake in southwest China's Sichuan Province killed almost 70,000 people. In a mournful mood, the whole country immediately mobilized for relief work.

Tibetan separatists disrupted the Olympic torch relay in France and other countries. When the nation mourned for the quake dead from May 19 to 21, the torch relay was halted for three days. However, when basketball star Yao Ming went into the Bird's Nest as flag bearer of Chinese team, he was with 7-year-old Lin Hao, a quake survivor from Sichuan, China showed it had overcome the trials.

"The Beijing Games is testimony to the fact that the world has its trust rested in China," said Liu Qi, president of the Beijing Organizing Committee of the Games. "The Chinese people, filled with enthusiasm, have hon-



Local people and foreign visitors play table tennis on Zhonggulou Culture Square, in east Beijing. Thanks to the Beijing Olympics, public sports facilities become ubiquitous in the city.

ored the commitments they solemnly made."

Although the Games have ended, the legacy stays. Fascinated by the clear skies in those days, people are calling for continued controls on the use of vehicles after the Games.

"The Games gave us a more open and mature attitude," said Professor Hu Jiqing from Nanjing University. "This attitude featured magnanimity, tolerance and pluralism."

"More importantly, it embodies a more confident nation," said the professor Hu.

When American female volleyball team, headed by Coach Lang Ping, a former Chinese star player, defeated China in the semifinals, Chinese did not rebuke her as "traitor". When sprinter Liu Xiang, gold medalist of 110m hurdle in Athens 2004 and one of China's most famous athletes, quit the games because of an injured Achilles' tendon, most Chinese expressed their understanding.

Just 20 years ago, Chinese gymnast Li Ning, who won three gold medals in 1984 Los Angeles Games, found a bullet in an anonymous envelope after his poor performance in Seoul Games in 1988.

Thanks to the 30 years of development, China is more open-minded and confident, and hopes to merge more with the world in the spirit of the Olympic slogan "One World, One Dream".

"Inspired by the Olympic spirit, the Chinese people want to join with people of all other countries to write a new chapter for the international Olympic Movement, and create a better future for mankind," said Chinese President Hu Jintao in an group interview with foreign media before the Games.

(China Features)

# China's college graduates work in villages

ZHAN YAN

WANG He heads to the fields in the morning with the peasants. He knows how to work the crops: watering, fertilizing, weeding. But when he graduated from Beijing University of Agriculture two years ago, the law and politics major had dreamed of becoming a lawyer.

Wang is an assistant to the village head of Sanjie, Kangzhuang Township in Beijing's Yanqing County, under the Chinese government five-year scheme to hire 100,000 college graduates to work in villages. The scheme started in 2008.

The scheme aims to revitalize rural China by changing the grassroots cadre structure and boosting the government's "new countryside" initiative. It also helps to employ the nation's rising tide of graduates.

"Our strong point is our knowledge, but we also have our weakness -- a lack of practical experience," says Wang, 26.

Most villagers hope the graduates can bring new expertise to improve their living standards. Wang introduced the "colorful sweet potato" with the help of his alma mater. The new species has bright yellow, white and purple flesh and is highly nutritious. It also costs more than the ordinary sweet potato.

Villagers previously planted corn and earned less than 1,000 yuan (142.86 U.S. dollars) per mu (0.07 hectares), but the figure doubled after they planted the new sweet potato species.

Wang often works in the fields, but he knows he's of little help.

"Peasants are much more adept at farming, that's their strong point. It's pointless for graduates to focus on farm work. We should do something they want to do, but can not do."

So that he focuses on technology, marketing, publicity and connecting with the outside world. His routine work is sort of miscellaneous, such as recording village meetings, issuing certificates and broadcasting notices.

He also applies his legal knowledge to mediate in conflicts

between the villagers and help write legal papers.

Real life is different from what he learnt in books. "Mediating conflicts between neighbors needs more worldly wisdom than legal knowledge. Sometimes laws are useless here," Wang says.

However, many graduates find it hard to adjust. "It's hard to feel accepted," says an anonymous graduate. "Families have often been here for generations and it's really, really hard for them to accept an outsider."

On-line discussion about the scheme is abuzz with doubts such as whether graduates can change the villages or be changed by the villages. Can they merge into village life or will they remain semi-detached?

Wang grew up in Beijing's rural Miyun District and has few problems in getting on. "The connections grow daily. You must greet villagers warmly or chat with them to show respect."

"Most of the villagers are aged over 40. Their children are studying or working in cities. They treat me like offspring and few give me the cold shoulder as they don't want their children to suffer the same treatment."

An anonymous graduate tells how he started work with little idea of what to do. Village heads assigned him chores like typing or moving flowerpots. "The real world is quite different from what I have been taught. Some ugly behavior just makes me sick."

"I feel the village is changing me, not I'm changing the village. I'm considering resigning." Failing to fulfill the three-year contract means losing the preferential treatment on insurance or further study.

Young graduates are bringing new attitudes to villages. Hu Jiandang, 24, a martial arts graduate from Beijing Sport University, is an assistant to the head of Wangchang Village in Panggezhuang Township in Beijing's Daxing District. He found an old couple, who made a living raising cattle, were isolated as their son had been in prison for almost 30 years for robbery.

"A family with such a son is often ostracized," Hu says. On the

old man's birthday he bought a cake and took photos. "Locals tell me to stay away from them, but the couple were moved and felt warmth from the outside world. I believe my behavior will help villagers accept them gradually."

Talking on the impacts of the "college graduates village heads" on rural China, Wang He believes the impacts are "minor" in a short term, but its long-term impacts are "profound".

"It's a relay for college graduates to serve as village heads and we are the ones to run the first baton. Changes need time as the cultural formation of rural China comes from thousands of years of history."

Wang says the conservative thinking is especially hard-set. "It's understandable. Peasants are usually poorly educated with little access to information. They are mostly poor and are wary of trying anything new that could cost them."

The experiences give the young first-hand understanding of rural China, which still lags far behind urban China.

"Urban people might struggle to buy an apartment or a car, but the peasants struggle for basic necessities like food and clothes. A child can consume all their savings and put them into debt," says Wang.

"But rural China is experiencing a golden period of growth with preferential policies from the government and promises of a bigger market."

Two years have seasoned Wang. "I was too idealistic and believed all the things I planned could come true, but now I'm more practical."

After three years in villages, the graduates enjoy priority in applying for public service posts and graduate study opportunities.

"Chinese peasants are leading too hard a life," says Wang. "They labor from dawn to dusk, but do not get the returns they deserve. I want to maximize their returns, particularly as my parents are peasants too. As long as I'm needed here, I will continue with the job."

(China Features)

# China seeks a balance between food security and urbanization

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China's urban population is also growing fast: from 17.9 percent of the total population in 1978 to 43.9 percent in 2006. The government is aiming for 70 percent by 2050, about average for a "relatively developed country".

A survey in 145 cities by the Institute of Geographic Sciences and Natural Resources Research under the China Academy of Sciences showed 70 percent of new construction in large and medium-sized cities is on arable land. "The figure is 80.9 percent in some western areas," says Chen.

China reported 7,438 square km of urban area in 1981 and 32,521 square km in 2005, a 340-percent increase in 25 years.

Meanwhile, the Ministry of Agriculture says China will need 1.824 billion mu (121.6 million hectares) of farmland in 2010 and 1.85 billion mu (123.33 million hectares) in 2030 to achieve 95 percent self-sufficiency, meaning the farmland area must increase.

However, some believe urbanization should not necessarily bring about a reduction in farmland or lead to an impending "grain crisis".

It could be attributed to "irrational urbanization," says Chinese Academy of Social Sciences researcher Li Chenggu. "Scientific urban planning could save farmland or use it more efficiently."

Minister of Land and Resources Xu Shaoshi says the government must protect farmland, ensuring development takes as little farm-

land as possible, and use more non-farm land and improve land use efficiency.

Experts believe China's two categories of land ownership are the root of the problem. "The system is why farmland disappears so easily," Li says.

Land ownership is divided into state-owned and collective-owned land. Collective-owned land, almost all rural and suburban land, is owned by the rural collective economic organization. Farmers do not own farmland, although they have the right to use and manage it.

Turning rural land into state-owned land, then into construction land, means profits. According to the national Land Administration Law, compensation for farmland appropriation for construction should be, at most, "30 times the average annual output in the previous three years."

The high profits may encourage local governments to allow contractors to turn rural land into state-owned construction land, Li says.

Some experts argue for just one form of ownership so the government can maintain overall control of planning, says Liu Weixin, deputy director of the Modern Urban and Rural Development Institute of the Chinese Academy of Social Sciences.

CASS researcher Li says grain output can also be increased through scientific breakthroughs such as hybrid rice; infrastructure

construction to boost output of low and medium-yield land (about two thirds of the arable land in China); and the introduction of modern farm management.

This year, China could have a fifth consecutive bumper summer harvest, the longest run of such consecutive years since 1949, according to the Ministry of Agriculture.

China produced 501.5 million tons of grain in 2007, making it 95 percent self-sufficient, according to the State Administration of Grain.

Premier Wen said in April that state grain storage was about 150 million to 200 million tons, double the world average, with 150 million tons equivalent to half the annual consumption.

The UN Food and Agriculture Organization defines food security as all people, at all times, having access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life.

Meanwhile Zhou Siyu remembers the extreme famine from 1959 to 1961, when "all the tree bark disappeared. People had to consume the barks to survive."

This peasant woman still tends a small plot of cropland. "Our generation have experienced hunger and feel uneasy seeing high-yield farmland wasted. We're afraid that hunger may return when we're unprepared."

(CHINA FEATURES)

# Rise of yuan where now for China's currency?

ZHU YIFAN

COMING back from a short business trip to Hong Kong, Clare Hu opened her purse and found that she had unintentionally spent half of her monthly salary while browsing through shops and department stores there.

"There are a variety of goods there, and they are much cheaper," says Hu, a media worker in Shanghai. Her colleagues bought even more. The buys ranged from 2,000-yuan cameras to a box of milk tea.

Mainland tourist shopping sprees in Hong Kong are becoming a tradition, but such behavior has become much more frequent as yuan has risen in value, increasing its purchasing power. China's currency, the Renminbi or yuan, has appreciated 20 percent against the U.S. dollar since it was unpegged from the dollar in 2005. The Hong Kong dollar, which is still pegged to the U.S. dollar, has weakened from 1.06 to 0.88 to the yuan.

## Increased purchasing power

"With the rapid growth of the Chinese economy, the outbound travel market is expanding," says Grace Pan, head of travel and leisure research at Nielsen.

Chinese travelers spend on average 2,597 to 3,506 U.S. dollars on an overseas trip, with the amount varying by region, according to the Nielsen China Outbound Travel Monitor report.

Not only are mainland residents traveling abroad to take advantage of the rising yuan, they can sense the change in the domestic market. Prices of imported vehicles, which have been high for years, have been falling slowly for the first five months this year. According to National Development and Reform Commission monitoring

data on consumer product prices in 36 large and medium-sized cities nationwide, the prices of imported vehicles dropped 1.95 percent in May from the previous month.

China imported 171,000 automobiles in the first five months, up 59 percent compared with the same period last year. In 2007, the volume of automobile imports saw an annual rise of 37.9 percent. Part of the reason is that international automobile giants made stronger efforts in China this year to make up for reduced sales in the North American market. Chinese consumers, with a currency that is becoming stronger daily, are believed to be becoming more open to buying imported cars.

The market of imported snacks and other foods has been rising at an annual rate of 15 percent in the past five years, according to report on the industrial website sponsored by China National Food Industry Association (CNFIA).

## Exports pains

In contrast to consumers, exporters have been hurt by the appreciation, which has eroded their profits to crisis point.

"In only half a year, our export cost was pushed up by 10 percent and profit reduced by 40 percent," says Shen Yaoqing, vice president of Shanghai Holding Co., a major Shanghai-based textile manufacturer that exports about 2 billion U.S. dollars worth of products annually. "Our company is on the brink of failure."

The problem of Shanghai reflects the dire situation suffered by the export-oriented processing trade that employs up to 40 million people.

Exports have been hailed as one of the country's three economic growth engines, together with consumption and invest-

ment. But the engine is slowing with reduced overseas orders. China's monthly trade surplus dropped to 20.2 billion U.S. dollars in May, down 10 percent from the same month last year, according to the General Administration of Customs.

**Change behind the scenes**  
The reverberations of the rapid appreciation of the yuan are deep and complicated. The change was not as simple as a boost in buying power or a squeezed trade surplus.

Behind it lies a shift in the country's overall economic strategy, driven by recognition that the current export structure won't support economic development the way it used to.

"China's currency had been kept in an undervalued state since the 1997 Asian Financial Crisis, and the government in effect used it to finance the imports and exports sector at the cost of its non-trading industries," says Professor Pan Yingli, of the Shanghai Jiao Tong University management school.

A large profit margin was then created between low production costs paid in undervalued yuan, and the high revenues reaped by selling these products to international clients.

This brought prosperity for the country, but took a heavy toll with high pollution and energy consumption. Too much labor-intensive industry with low efficiency and little added value stretched supply by demanding evermore manufacturing materials, which pushed up upstream prices. The heavy reliance on overseas markets was detrimental to the establishment of an overall balanced industrial structure in China.

It also created a persistent gap between the well-developed coastal east, which thrived by

trading with the outside, and the poor central and western regions in China.

"The structural conflict has accumulated to a stage that demands a solution," says Pan. "Strengthening the yuan is the rational choice as it helps stabilize inflation and leads to the optimization of industrial structure."

Studies in east China's Jiangsu Province found the composition of exported products started to change with appreciation. High-tech goods, machinery and electronic products started to take a greater share at the expense of labor-intensive products, such as textiles, garments and toys.

In the Pearl River delta area, 2,331 shoe makers have gone out of business, and 2,428 remain. Shoe exports were down 15.5 percent to 1.35 billion pairs in the first five months compared with the same period last year, but the value gained 9.4 percent to 3.97 billion U.S. dollars.

## Where is the end

This year, the appreciation has accelerated, breaking through the 7-yuan mark against the dollar in early April before it weakened slightly on a stronger dollar in May. However, it soon regained strength and broke through the 6.9-yuan mark to hit a record 6.8919 to the dollar on June 17. By then, it had appreciated almost 6 percent in 2008 alone.

As China's currency became increasingly stronger, Liu Yuhui, researcher with Chinese Academy of Social Sciences noticed a dangerous undercurrent of money flows. Observation of statistical data showed that "hot money," or international short-term speculative funds, is speeding up its flow into China in the first quarter, which was closely related in an anticipation of faster appreciation of the yuan.

No official figures were released concerning the "hot money", but analysts smelt a rat from the strange phenomenon that combines a ballooning forex reserves and declining current-account surplus and reduced expenditure of foreign investment in China.

During the first five months of 2008, forex reserves increased by 18.7 percent year-on-year, or 268.7 billion U.S. dollars, SAFE figures showed. Jiang Zheng, a macro-economist at a Beijing-based securities firm, has discovered that there was an unexpected 147.9 billion U.S. dollars in the forex reserve increase figure after deducting the trade surplus and the FDI inflow.

The concentration of international speculative fund in China's domestic market would pose major threats to a stable exchange rate of yuan, and also rob a country of effective control of its macroeconomy, says Liu.

Given the complexity of the situation, opinion is divided over whether the appreciation will continue, or whether there will be a one-off appreciation to end the uncertainty. Guesses are made at the so-called ceiling of the yuan.

Central bank governor Zhou Xiaochuan says China would gradually expand the elasticity of the exchange rate, sending out the signal that Beijing would let the yuan fluctuate rather than rise unilaterally.

The fast appreciation of the yuan in the first half might not continue, and the concern over possible fallback of foreign trade could weigh against continuous further appreciation, says Peng Xingyun, of the Chinese Academy of Social Sciences.

"There are many factors in the market that affect supply and demand, which, if changed, would sway the exchange rates," says Peng.

(China Features)



On May 21, 2008, a demonstration on the quick food inspection designed for the Olympic Games was held in a public safety inspection van. The concepts of the Green and High-tech Olympics help raise the awareness of, and the standard for food safety in China.