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EDITORIALS

Drains to rein in rain

HAS RAINWATER DRAINAGE SYSTEM RECEIVED enough attention in our urbanization drive over the past few decades?

Urban planners need to reflect on the question especially after the heaviest rainstorm in 61 years devastated Beijing on Saturday. Similar rainstorms have caused trouble in a number of other cities, including Nanjing, Hefei, Wuhan and Chengdu lately. In fact, a torrential downpour, even if it is not the heaviest in decades, can paralyze traffic in many Chinese cities.

Beijing authorities have admitted that the capital's drainage system leaves much to be desired. It could drain out rainwater only if precipitation is 30 millimeters or less an hour. That is also true of most cities across the country.

Beijing will gradually improve its drainage system and upgrade the pumping stations to drain out rainwater from under its underpasses in urban districts before 2015, after which even a precipitation of 60 millimeters an hour is unlikely to cause inundation. Apparently, many cities will have to do the same.

Saturday's deluge in Beijing has led to 37 deaths and an estimated economic loss of 10 billion yuan (\$1.56 billion). These losses could have been avoided had the capital done a better job of its drainage system during its urbanization drive over the past decades.

China's urbanization process is far from over, and many prefecture- and county-level cities are yet to start large-scale construction or are in the middle of their urbanization drive.

The embarrassment many big cities face because of rainstorms should remind planners to pay adequate attention to the designing and building of a foolproof drainage system. Futuristic buildings and wide streets can be enjoyed only if they are supported by a sound utility system, which includes large sewers and efficient pumping stations.

If a sound drainage system is built in advance, the cost would undoubtedly be lower than when it needs to be upgraded or rebuilt after a city has completed its urbanization drive above ground. But for that urban planners need to have a broad vision for future development.

Most big cities, including Beijing and some provincial capitals, can improve their drainage systems only by pumping in extra-budgetary funds. Hopefully, urban planners in other cities will learn from the big cities' mistakes and do a better job of dealing with the rain.

Mission possible in Syria

THE UNITED NATIONS SECURITY COUNCIL unanimously adopted a rollover resolution on Friday to extend the UN Supervision Mission in Syria for 30 days. The international community should seize the opportunity to reach a consensus on the Syria issue and press belligerent parties in the turbulent country to fully comply with the UN resolution.

According to the resolution, the extension would be the last unless the use of heavy weapons is stopped and violence by all parties shunned, which remain a challenging task. This may well be the last chance for peace in Syria.

Despite the extension of the UN mission, bloodshed continued over the weekend. Escalating violence had impaired the UN mission in Syria after it was mandated in April, with even UN observers being attacked at times.

Given that the mandate of UN observers in Syria is important for containing violence and providing important information about what is going on in the country, all parties in Syria should ensure the safety of UN observers and help them fulfill their duties.

The Syrian government and the opposition both should understand that as long as the UN mission functions in the country, there is still hope and room for diplomatic mediation, and therefore they should declare "ceasefire" and cooperate with the UN observers.

By extending its mission in Syria, the Security Council has exhibited unity. Efforts should continue to be made to build on this momentum so that international support for diplomatic mediation can be mobilized to the greatest extent. Only when the international community further acts in unison can the country be prevented from sinking into a civil war, which would be a nightmare for Syrians and have grave consequences for the region.

To pave the way for a political resolution to the Syrian crisis, UN Security Council members should enhance coordination and display flexibility and convey a unified message to all parties in Syria to find an effective resolution to the crisis and secure its own credibility.

Only Syrians have the right to decide Syria's future. Any outside intervention, if driven by geopolitical ambitions, will only complicate the situation further and lead to more bloodshed in the country.

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CHINA FORUM | MA GUANGYUAN

Lead economy on right track

Structural problems within industries, not adverse external factors, are responsible for China's economic slowdown

China's 7.8 percent economic growth in the first half of this year is enough to overshadow the rest of the world, but it has still raised concerns among some people — used to China's fast-paced growth — over the gloomy prospect of the world's second largest economy.

The 7.6 percent GDP growth in the second quarter is not only lower than the already decelerated first-quarterly 8.1 percent, but also the first time that China's GDP has fallen below 8 percent in nearly three years.

Before a judgment is passed over China's macro-economic data in the first half of this year, at least two questions should be answered. First, is the 7.8 percent economic growth a short-term economic slowdown or has China's economic momentum really reached a turning point? Second, is China's economic downturn caused by external factors such as the sovereign debt crisis in Europe or is it the result of the country's long-term deep-rooted economic contradictions and structural imbalances?

The correct answers to the two questions will not only help people better understand China's ongoing economic cycle and its basic economic landscape, but will also help the country adopt right macroeconomic policies to deal with the ongoing economic slide.

China's economic slowdown for six consecutive quarters since the start of 2011 is by no means a temporary economic phenomenon. The blame should not be put on external factors, however. After more than three decades of fast economic growth, many officials, domestic enterprises and ordinary people have come to depend heavily on a fast-growing economy and are not psychologically prepared for China's transition from high-speed to normal growth. In this context, some people see the under-8 percent economic growth as increasing the risk of economic "hard landing."

As a matter of fact, China's GDP growth in the first half of this year is not only far higher than that of the US and European countries, but also outpaces such emerging economies as India, Brazil and Russia. In times of global economic disturbances, the nearly 8 percent economic growth rate is by any means a praiseworthy achievement.

For example, China's added industrial value grew by 10.5 percent year-on-year in the first half of this year, fixed asset investment by 20.4 percent and retail value by 14 percent — all three being within a reasonable range of growth. Although China's imports and exports during the same period declined considerably, its exports to the European Union fell by only 0.8 percent year-on-year. A lingering economic recession in the eurozone has caused some negative effects to China's economy, but it is not the main

factor behind the country's continuing economic decline.

During a recent inspection tour of Jiangsu province, Premier Wen Jiabao said the decline of China's industrial output and profits has been caused mainly by overcapacity instead of a dwindling market share. "To stabilize growth is by no means a short-term countermeasure. Instead, it should be closely combined with the country's efforts for economic restructuring," Wen said.

A continuing economic decline in essence means that now is time for China to bid farewell to its fast-growth economic model. Under the influence of combined factors, ranging from the depletion of its population dividend and economic restructuring to its industrial upgrading and accelerated environmental protection since the 2008 global financial crisis, China's potential economic growth rate has declined from 9 percent to 8 percent.

However, a series of economic stimulus packages launched amid the global financial crisis prompted China's abnormal economic growth. The adoption of stimulus policies interrupted the country's economic restructuring efforts, too, and helped such overproduction industries as real estate, steel, shipbuilding and cement, thus fueling a new round of irrational growth.

The "marginal effect" produced by the country's investment and export-driven economic growth was given full play during the past decade but is now on the ebb. In comparison with a soft driving force behind the real economy, a boom in the real estate sector and soaring housing prices have further crippled people's purchasing power and hampered government efforts to boost domestic consumption.

A continuous economic slide once again proves that China's economic growth model, based on investment, exports and low value added manufacturing, has now become unsustainable. To put the blame of the country's economic slowdown on some external factors will only prompt the authorities to again come up with short-sighted measures to stabilize economic growth, which obviously cannot solve the fundamental problems facing the economy.

Government-spearheaded investment or loosened monetary policies cannot resolve the issues of overproduction, small and medium-sized enterprises' (SMEs) struggle for survival, application of excessive administrative power to economic activities, and monopoly and industrial upgrade.

The side effects of a large-scale economic stimulus package implemented by China four years ago prove that short-term economic growth measures — instead of profound reforms and structural adjustments — will sooner or later force the national economy into a bigger potential crisis.

To maintain a certain speed of economic growth the national economy should not be subjected to high-speed operation disregarding the law of economics. Most importantly, China has to be more tolerant toward economic deceleration and determined to eliminate backward industries, and take measures to alleviate tax burdens of enterprises, especially SMEs, to create a good environment for its overdue economic transformation.

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LIFENG



NIGHTMARE IN DENVER

RAVI SHANKAR

I know, you know, I know you know...

Every Olympics year, a familiar sport is played out, mainly in the United States. That's how I tend to remember the presidential elections in the country.

Remember Usain Bolt? Barack Obama. (And a few other examples going back in time. Or vice versa.)

Remember Liu Xiang? Ouch, John McCain. Other countries play it, too. Except their electoral cycles do not seem to be as much in perfect sync with the Olympics cycle as it is in the US.

So here we are, wondering if Bolt can repeat his feat. Or if Liu can reverse his fortunes. At around the time when the two main US parties have their conventions to confirm their presidential candidates.

But the other sport, which lasts a good deal longer than the 16 days of the Olympics, continues in the US in the Olympics year: China-bashing.

As the rhetoric rises and soars, the Olympic motto takes on a different meaning.

The presumptive Republican candidate, Mitt Romney, has vowed to take a tough line with China, if elected, warning that he would declare China a currency manipulator from Day 1. There have been plenty of other threats on related subjects.

Obama, whose administration has never sought to label China a currency manipulator (and neither did his predecessor), picked on other issues: that Romney was offshoring and outsourcing to China.

In true Olympic spirit, US Senate Majority Leader Harry Reid has suggested that the red, blue and white uniforms of the US Olympic team be burned — because they were made in China. Never mind that baby diapers, kitchen tools, iPhones and iPads, are mostly — if not totally — made in China. Or most American flags.

But here's the nub: US politicians pick on China in election years (at least more so than in other years), blaming it for many of their economic woes. And the US media, apart from those given to hyperbole, typically have experts/analysts saying that they actually don't mean what they say. If elected, it's back to business, is the message.

For example, says Ted Galen Carpenter, a senior fellow at the Cato Institute in the US: "The good news is that the confrontational rhetoric and policy proposals have always receded once the election is over, and they have never done lasting damage to bilateral relations."

Carpenter has a whole list of precedents:

- Ronald Reagan repeatedly criticized Jimmy Carter for establishing diplomatic relations with Beijing; yet, once elected president, adopted prudent and constructive policies toward Beijing. He even pledged to gradually end arms sales to Taiwan.
- In 1992, Bill Clinton and Ross Perot took on George H. W. Bush for being "too soft" on China; yet nothing much changed later.
- Clinton, the China-basher of 1992, came under attack in 2000 from Bush junior for being "too soft

on China", who, it turned out, had one of the best relations a US president has had with China.

You get the drift.

And then there's the Chinese media.

This is how the narrative typically goes: US politicians are aggressive in election years yet most commentators in the country seem to suggest it's just electoral rhetoric. They have, as the market says, discounted it.

For example, Shi Yinrong, professor of international relations and director of the Center on American Studies at Renmin University of China, says: "I presume no matter what China does, there will be continued China slugging during the election year. And after being elected, the candidate will 'keep the campaign promise at a substantial discount'."

So here's the well-worn and accepted scenario: It's common for US presidential candidates to ramp up anti-China rhetoric during election year.

But the point is... is it pointless?

Western analysts say they don't mean what they say.

Chinese analysts say they don't mean what they say.

So the politicians on both sides know the score. So do the people.

So who's fooling who?

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