China Health Bibliography Update
February 2005

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- China Daily: Guangdong plan to set up welfare scheme for the elderly
- China Daily: Coverage of social security up by big margins
- China Daily: Social security fund income, payouts exceed US$120.82 trillion
- The Standard: Guangdong announces its population count with migrants included, the first province in China
- Xinhua: Beijing BOLSS announces BMI participants totaled 4.84 million by 2004
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Xinhua: Low-income group are to entail “super-low priced medical services” in Zhenzhou, Henan province

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This study examines how the provision of schistosomiasis control has adapted to increased exposure to market forces which has occurred in China over the past decades with the main emphasis on contemporary performance of the services. Financial and service data were collected and analysed from ten schistosomiasis stations in the Hunan province. A document and literature review, key informant interviews, as well as two focus group discussions were conducted to establish their context. The study found that the schistosomiasis control stations had shifted their emphasis from prevention to clinical services and that 62% of the stations' total income now comes from charging for individual clinical services, while 90% of the total costs was related to providing these services. The study found that revenue generation had become the primary motive, and that over-treatment and prescription had become an accepted practice for all the stations. The study concludes that a combination of lax supervision and accountability, and a greater reliance on user-payment and market mechanisms has severely compromised the provision of the public goods elements of the schistosomiasis control programme.


Both challenges and opportunities have been created by health sector reforms for TB control programmes in developing countries. China has initiated radical economic and health reforms since the late 1970s and is among the highest TB endemic countries in the world. This paper examines the operation of TB control programmes in a decentralized financial system. A case study was conducted in four counties of Shandong Province and data were collected from document reviews, and key informant and TB patient interviews. The main findings include: direct government support to TB control weakened in poorer counties after its decentralization to township and county governments; DOTS programmes in poorer counties was not implemented as well as in more affluent ones; and TB patients, especially the low-income patients, suffered heavy financial burdens. Financial decentralization negatively affects the public health programmes and may have contributed to the more rapid increase in the number of TB cases seen over the past decade in the poorer areas of China compared with the richer ones. Establishing a financial transfer system at central and provincial levels, correcting financial incentives for health providers, and initiating pro-poor projects for the TB patients, are recommended.


One quarter of all TB cases occur in China, which, during the past 20 years has moved from a planned economy to a socialist market economy. In the health sector, an important proportion of the financing originates from user payment. TB control is not an exception and different programmatic models are in place. This study examines, using a case study approach, three different TB programmes, one supposed to provide free service, one subsidized service and one with full cost recovery. The aim was to better understand the driving forces for programme
performance in terms of case detection, case management and patient payments. The study found for all models that control and case management approaches were, to some extent, adapted to generate maximum income to the providers. The drive for income led to fewer cases detected, administration of unnecessary procedures and drugs, and a higher than necessary cost to the patients. The latter possibly leading to exclusion of poor people from the services. If user charges are to stay, TB control programmes need to be designed to take advantage of the financial incentives to improve performance. The referral system needs to be restructured, not to provide disincentives for good practices.

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This article investigates determinants of China's mortality levels and trends since 1981. Econometric results show that both economic development and social policies matter to survival outcomes, but in different magnitudes for various mortality measures. Economic growth plays a key role in reducing mortality in childhood and especially adulthood, and raises life expectancy. Declining adult illiteracy is a critical factor in reducing child mortality and increasing life expectancy. Stock of health practitioners, share of government expenditure for health and education and policy biases favoring cities and coastal areas selectively affect survival. Authors propose policies for further reducing mortality in China today. (C) 2004 Elsevier Ltd. All rights reserved.


CONTEXT. College students are more likely than other student populations to be sexually active. To improve sex education in China among this group, educators must know college students' needs and their preferences for receiving information on sexuality. METHODS: in 2002, students at a large Chinese university completed surveys about their history of school-based sex education and their other sources of information on sexuality. The survey also explored students' preferences for topics to be included in a college-level sex education course, comfort level with receiving information on these topics and views of effective teaching strategies. RESULTS: Before college, 47% of respondents had received no school-based education on sexual behavior; however, all respondents had taken a class covering reproduction, typically beginning in middle school (78%). Reading material, radio, classroom lecture and parents were more popular sources of information among females than among males, friends, the Internet and personal sexual experience were more frequent sources for males than for females. Higher proportions of males than females favored including sex therapy and masturbation in a hypothetical course. In addition, males felt more comfortable than females discussing 11 of 20 subjects, the two genders indicated similar levels of comfort in talking about the other topics. Males and females differed on how best to convey information on sexuality, with females generally favoring private methods, such as reading. CONCLUSIONS: More comprehensive school-based sex education is needed for Chinese youth. When developing and implementing such programs, health educators should consider differences between males' and females' preferred ways for receiving information on sexuality.


High sex ratio at birth due to son preference has been known in China historically, but it was thought this phenomenon would diminish with modernisation. The aim of this study was to investigate abortion decisions and reported sex ratios at birth in the context of successive family
planning policies in Huaning County, Yunnan Province, in China. Abortion patterns and reported sex ratios at birth of a random sample of 1,336 women aged 15-64 were analysed for the period 1980--2000, in relation to parity and sex of previous children. There was a male bias in the abortion pattern during the 1980s, but by the end of the 1990s most pregnancies of women with two children were being terminated. Sex ratio at birth rose from 107 in 1984--87 to 110 between 1988--2000 in Huaning. While women's reproductive decisions were influenced by son preference over the whole period, the means used to ensure a son differed with changing family planning policies. We conclude that rising sex ratios in the context of falling fertility and modernisation is an alarming socio-demographic issue, which defies historical experience. Assumptions that discrimination against girls would diminish with economic development and female education have proven simplistic. Action is urgently needed to reduce and mitigate the effects of discrimination against girls.


Data from 4,208 migrants aged 18-30 years old in Beijing and Nanjing, China, were analyzed to examine the correlates of willingness to participate (WTP) in HIV/STD prevention intervention activities among Chinese rural-to-urban migrants. Overall, 83.3% of the respondents would be willing to participate. Increased WTP was associated with employment in the industrial sector (OR = 1.59, 95% CI: 1.11-2.29), migrating to cities to learn more about the outside world (OR = 1.31, 95% CI: 1.08-1.59), prior experience with health maintenance (OR = 1.36, 95% CI: 1.11-1.66), higher level of HIV/AIDS awareness (OR = 1.16, 95% CI: 1.02-1.31), and perceived severity of risk behaviors (OR = 1.32, 95% CI: 1.04-1.68). Decreased WTP was associated with increased involvement in health risk behaviors (OR = 0.50, 95% CI: 0.35-0.73), increased perceptions of peer risk involvement (OR = 0.81, 95% CI: 0.68-0.98), perceived intrinsic rewards for risk behaviors (OR = 0.81, 95% CI: 0.68-0.96) and perceptions of HIV-related stigma (OR = 0.68, 95% CI: 0.53-0.89). The high level of WTP suggests that HIV/STD prevention activities are acceptable among rural-to-urban migrants. Their awareness of HIV/AIDS should be increased and HIV-related stigma should be reduced to increase the level of WTP. Recruitment and retention of individuals with high-risk behavior in prevention activities will be critical and challenging.


This paper argues that the traditional way of gauging a country's fiscal policy stance by looking at government budget deficit or cyclically adjusted budget deficits is misleading in the case of China, since a lot of what usually would be considered fiscal policy is conducted via investment by state owned enterprises. The paper therefore proposes a different indicator for the fiscal policy stance, constructed from government consumption, government expenditure, the state-owned- enterprises' investments and tax revenue. Using this indicator, it can be shown that fiscal policy has been strongly counter-cyclical in China over the past two decades.

China like other transition economies needs to establish a tax regime compatible with a market economy. The paper singles out the general and China-specific features by which national legislation attempts to accompany economic transformation. Based on an empirical study in two provinces this paper shows that without including local government agencies and their budgets, China’s fiscal federalism cannot be analyzed. This paper argues that China’s emerging tax regime depends on the institutional design that shapes the interaction between firms (as major tax payers at the local level), local government agencies, and the national tax administration.


This article firstly present a systematic overview on national tax regime by classifying China’s tax regime into three broad phases in context of underpinning market-oriented institutional development during last two decades and, then, in supplement to previous literatures that largely stop at provincial level, unveil the complex and obscure local tax regime based on sub-provincial field research in Zhejiang and Jiangsu province. The authors observed dual existing tax regimes: the hard and standardized state tax regime under central custody versus de facto soft and flexible local tax regime under local promotion and argue that despite central persisting initiatives in unifying tax regime and recentralization, local variation and divergence continue to play indispensable role in implementation of central reform due to China’s sheer size, geographical, cultural and resource endowment disparity as well as local state’s self-interest seeking inevitably induces localized adaptation of central policy and, consequently, calls for further decentralization.


Although urban China has experienced a rapid income growth over the last twenty years, nutrition intake for the low income group declined in the 1990s. Does this imply a zero or negative income elasticity for the low income group? This paper examines this issue using large representative sample of repeated cross-sectional data for the period 1986-2000. It is found that income elasticities of calorie consumption for urban households are far from zero, and the lower the income level the higher the income elasticity. The main reason for the reduction in calorie consumption for the low income group in the early 1990s was a sharp increase in food price. In addition, in the mid to late 1990s large scale social welfare reform increased households’ need to pay for education, medical, housing expenses and the need to save for future consumption and income uncertainty. These factors seem to have played an important role in suppressing nutrition consumption of the low income group during this period.


Despite prolonged economic growth, poverty has become a more notable and noted feature of Chinese society. The paper examines three phases of development since the foundation of the People's Republic: the central planning era (1949 -1978); the pro-urban growth model (1978 - 1999); and more recent changes (1999 - 2004). For each phase the nature of the economic and social policies are described and the effects on poverty and inequality are
examined. The limitations of a social policy that is subservient to the economic strategy are considered. The alternative of a model of social development based on the livelihood approach is analysed and its potential to reduce poverty and inequality are considered.

China Worries About Economic Surge That Skips the Poor
NYTF000020050304e1340001m
Foreign Desk; SECTA
By JOSEPH KAHN; Chris Buckley contributed reporting for this article.

BEIJING, March 3 -- Chinese leaders open their annual legislative session this weekend trying to resolve a vexing pair of problems: the economy is growing too fast, and most people feel left out of the boom.

China's bubbly economy, which expanded 9.5 percent last year despite efforts to cool it down, has produced a yawning wealth gap and fueled a surge of social unrest that top leaders worry could undermine Communist rule.

Although the leadership has focused on social inequality and wealth distribution for over a year -- it was also the theme of the 2004 legislative session of the National People's Congress -- there have been several mass riots and thousands of small protests over land seizures, corruption and unpaid wages.

In a series of top-level meetings ahead of this session, including a secretive conclave of senior economists and government officials at the Diaoyutai State Guest House a few weeks ago, policy makers bemoaned the severity of the country's social ills and pondered economic changes to assuage the growing impatience evident in rural communities, according to people briefed on the session.

President Hu Jintao, who will consolidate his position as China's top political and military leader during the meeting of the legislature, has ordered Communist Party members nationwide to study his thoughts on building a "harmonious society" through "scientific development." The ideological campaign emphasizes the need to
reduce social conflict and take a step back from the pro-growth orientation of previous leadership.

"At past meetings, the stress was on fast growth -- how many bridges were built, how tall the new buildings are," said Hu Jinguang, a legal scholar at People's University in Beijing who follows the workings of the legislature. "Now the main emphasis is on social well-being and spreading the wealth."

Delegates to the congress, which is controlled by the Communist Party, have put forward dozens of proposals to reduce rural taxation, extend pensions and welfare to peasants, and provide better education and health care in rural areas, reflecting an emphasis on populist themes.

The legislature, which has only one full session a year, each lasting about 10 days, has little practical authority and is generally used to ratify decisions made by party leaders. But delegates occasionally raise contentious local issues that the leadership has ignored.

Aside from economic matters, President Hu has promoted a measure to ban secession by any Chinese territory. The legislation would probably lead to military action if Taiwan tried to solidify its independence from mainland China.

The text of the measure remains a secret and may simply restate China's vow to fight Taiwanese independence with force. But American officials have criticized the effort, saying it risks upsetting recent progress in calming cross-strait tensions.

Also on the congress's agenda is formal approval of Mr. Hu's accession to the chairmanship of the Central Military Commission, a post he inherited when Jiang Zemin, the former top leader, retired last fall. The move will complete a leadership transition that began in 2002.

Though China's fast economic growth has made it the envy of the developing world, the leadership is preoccupied with trying to rein in lending by state banks that some fear could cause high inflation or lead to a sharp correction.

Ma Kai, a top economic planning official, told state news media this week that excesses in business and government investment, strains on natural resources, shortages of electricity and oil, transportation bottlenecks and rising production costs threatened economic stability.

"At present, macro-adjustment remains at a crucial stage," he said, alluding to the government's efforts to cool the economy. "The slightest slackening may lead to a reversal, wasting our previous efforts."

The government is expected to budget a smaller deficit this year, reduce issuance of state bonds for development, and impose limits on lending to industries, including real estate, steel and automobiles, that are viewed as saturated or bubbly.

On social issues, officials are promoting tax relief for peasants and subsidies to increase grain output as a way to raise rural incomes. With rural incomes averaging less than one-third the incomes in urban areas, China has one of the largest wealth
gaps in the world.

Delegates will also discuss changing land development laws to make it harder for local governments to seize farmland to build factories, offices, hotels or shopping malls. China now has millions of landless peasants, and their circumstances and growing discontent are not entirely unlike the conditions the Communists exploited to rise to power in 1949.

Mr. Hu has made some headway refocusing economic policies to help those left behind, and officials are promising to do more. But many experts say the changes are administrative rather than structural.

"This new leadership is much more concerned with disadvantaged groups," said Hu Xingdou, a management expert at the Beijing Institute of Technology and an outspoken critic of the government. "But they have to consider institutionalizing this stream of thought so it is not just the idea of a benevolent leader."

The government has yet to overhaul land ownership rules in rural areas, or to eliminate discrimination in admission to top schools that favor urban residents, or to ease population controls that classify 800 million people as rural residents with limited access to urban services.

Moreover, President Hu has kept a tight lid on public discourse. Since becoming party chief, he has increased censorship of the media.

A wide range of important topics, from the wealth gap to large corruption cases, are effectively off limits for state media even as they take center stage in the mostly private proceedings of the congress.

Photo: Tea service was arranged yesterday in the assembly hall in the Great Hall of the People in Beijing, where the National People's Congress will begin its annual session this weekend. The wealth gap is high on the agenda. (Photo by Claro Cortes IV/Reuters)

Report: Chinese legislature expected to approve US$24 billion (euro18 billion) in aid to farmers
APRS000020050304e134004xx
357 Words
04 March 2005
08:27 GMT
Associated Press Newswires
English
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BEIJING (AP) - Chinese lawmakers are expected to approve US$24 billion (euro18 billion) in spending this year to help farmers in the vast, poor countryside, the government said Friday as the legislature prepared to open its annual session.

Efforts to ease rural poverty, which has sparked violent protests in areas across
China, are a priority for the government of President Hu Jintao after two decades of growth whose benefits were largely confined to eastern cities.

The 2005 budget is expected to include 200 billion yuan (US$24 billion; euro18 billion) for farm programs, the official Xinhua News Agency said, citing an unidentified Cabinet official.

That includes agricultural training for 2.5 million farmers, the agency said. It didn't give details of how the planned spending compares with previous years.

In a report in January, the government promised to cut taxes and raise subsidies for farmers, but it didn't say how much money would be committed to such efforts.

The report promised higher crop subsidies and "steadily increasing investment" in irrigation systems, education, rural health and other infrastructure.

Poverty in China's countryside, home to some 800 million people, is viewed by Communist leaders as both a potential source of unrest and an embarrassment to a party founded on a peasant revolution.

While incomes in Chinese cities have soared, those for farmers have risen slowly, if at all. China's average annual income has passed US$1,000 (euro700) per person, according to the government, but many rural families get by on a fraction of that.

The average income for farmers rose 6.8 percent in 2004 but still stands at 2,936 yuan (US$355; euro278) a year.

Stagnant incomes and heavy tax burdens have sparked protests and violent confrontations between farmers and local authorities in areas throughout the country.

"I hope the government will continue to take supportive measures so that farmers can have a bulging money bag and a better life," Xu Dequan, a legislator from the central province of Henan, was quoted by Xinhua as saying.

Some 45,000 cataract patients get free surgery

More than 45,000 cataract patients in China's poverty-stricken areas have received free surgery at the "Lifeline Express", a mobile hospital set up on a train nearly eight years ago, said Chinese Vice Minister of Health Huang Jiefu in Beijing Tuesday.

Huang made the remarks at a farewell ceremony for the express, which will later leave Beijing to provide free cataract surgeries for those patients in need, especially...
for poor residents suffering the disease in vast rural areas.

The "Lifeline Express", including three four-car hospital trains donated by Hong Kong Special Administrative Region, have been in service on the Chinese mainland for nearly eight years, at a cost of 150 million yuan (US$18 million) provided by Hong Kong and mainland donors.

The trains, manned with top ophthalmologists and equipped with sophisticated facilities, have traveled to 47 poverty-ridden areas in 19 provinces, autonomous regions and municipalities, helping to restore the vision of 45,000 cataract patients.

Thanks to the "Lifeline Express", Huang said, a large number of adult patients have acquired labor force and bid farewell to poverty, and young patients can now go to school along with other fellow healthy children.

"For those cataract patients living in abject poverty, we not only restore their vision, but also provide them with opportunities to live better and richer lives," said Chen Shu, a doctor who embarked on her journey on the "Lifeline Express".

During the Lifeline Express' operation tour this year, eye doctors are expected to perform surgeries on approximately 9,000 cataract patients in Southwest China's Chongqing Municipality, Northwest China's Gansu Province, Southwest China's Guizhou Province, Northwest China's Xinjiang Uygur Autonomous Region, North China's Shanxi Province, Central China's Hunan Province, Southwest China's Yunnan Province and East China's Shandong Province.

Life expectancy in Shanghai exceeds 80 years in 2004

SHANGHAI, March 2 (CEIS) -- Life expectancy in east China's metropolis of Shanghai reached 80.29 years in 2004, up from 79.8 years in 2003, according to sources from a municipal work conference on public health.

As comparison, life expectancy in the city was only a little over 40 years before it was liberated from Kuomintang rule in 1949, revealed the statistics from the conference held here on February 28.

Experts believed that the rising living standard, better medical care and citizens getting exercise are the main factors behind the increasing life expectancy in the financial hub.

The statistics show that the maternal mortality is 10.79 per 100,000 births and the infant mortality is 3.78 per 1,000 births.

The local health department said there were no reports of human infection of SARS,
BEIJING, February 28 (CEIS) -- Chinese leaders reaffirmed the plan to switch from "proactive" to "prudent" fiscal policy in order to ensure the country's economy grows at a relatively fast but stable pace when they met on February 21 to discuss the draft report on the government work to be delivered at the legislature's annual session next week.

Experts and officials say the switch and plans to cut budgetary deficits and the size of long-term treasury bonds for 2005 are not only necessary for the central authorities to control excessive investment in fixed assets in some areas, but also conducive to the country's economic restructuring.

The change in policy will play a decisive role in the government's efforts to transform the country's current economic growth mode, which is characterized by high consumption, high pollution and low output, into one that is characterized by lower pollution and better economic returns and efficiency through the application of high technology and information technology and environmentally-friendly technology in the coming few years, experts say.

Jin Renqing, minister of finance, said China began to pursue a proactive fiscal policy and a prudent monetary policy since 1998 in a bid to offset the Asian financial crisis, which helped boost China's economic growth by an annual average 1.5 to 2 percentage points, and improve economic restructuring through increased government spending.

The policy has contributed to the country's fast, stable economic growth over the past several years, said the minister.

The Chinese economy, which has been growing at an annual average growth rate of about 9.5 percent for years, started to emerge from the shadow of deflation from late 2003. Some sectors have since become overheated due to excessive investment, and grain prices and consumer prices have jumped rapidly.

Economists have warned of possible inflation as consumer price index went up by about 5 percent for a few months last year.

China's fast economic development generated huge demand for energy and raw materials, resulting in acute shortages of coal, power brownouts in the country's
economic prosperous areas and fast increase in imports of commodities and oil.

The nation's growing appetites for raw materials and energy surprised both the outside world and itself over the past several years. In 2003 alone, China consumed 30 percent of the world's steel output, 40 percent of the world's cement supplies and 31 percent of the world's coal supplies, while its gross domestic output accounted for only 4 percent of the world's total.

China's environmental pollution has grown worse as 90 percent of the rivers running through urban China were heavily polluted and three quarters of the country's lakes show signs of pollution. Nearly 300 million rural residents do not have drinking water that is up to the country's standard, and nearly one third of the urban people have to breathe heavily polluted air.

In response to these problems, the Chinese authorities introduced macroeconomic control policies last year, mainly curbing excessive investment growth in such sectors as steel and cement through tightening land use and loan supplies.

Ma Kai, minister in charge of the State Development and Reform Commission, the country's top economic planner, said the macroeconomic control policies aimed at curbing excessive development of selected sectors, and some unhealthy and destabilizing factors.

Meanwhile, China also increased investment in such sectors as agriculture, education, public health and social securities, sectors that have been growing too slow to meet the demands or the targets set by the central government, Ma said on China Central Television program broadcast on February 24.

He said the central government have decided to continue its macroeconomic control policies this year and switch its proactive fiscal policy to prudent since there are still risks of a return to higher investment levels, and some deep-rooted problems in economic sectors are still there.

A proactive fiscal policy is not good if the government wants to curb excessive investment in fixed assets and inflationary pressure, said Finance Minister Jin Renqing.

He said the Chinese economy as a whole is not overheated, therefore, there is no need for the central authorities to adopt a much tougher or stringent fiscal policy to curb investment in an all-round way.

The central government will continue to increase investment in those "weak links" in social and economic life, such as agriculture, social securities, environmental protection, public health, education, science and technology, he said.

Chen Dongqi, deputy director of the State Development and Reform Commission's Macroeconomic Institute, said the prudent fiscal and monetary policies were aimed to promote sustainable economic development in the long run while improving the efficiencies of the national economy. (?)
SHANGHAI (Dow Jones)--China will support its non-state sector by encouraging more direct funding and lending, and opening up national industries like power and telecommunications to more competition and non-state sector capital.

The recommendations by the State Council, China’s highest executive body, that were carried in state media Friday reflect efforts to ensure the country’s private sector weatheres the credit tightening and other measures imposed by the government to counter economic overheating. [ 25-02-05 0003GMT ]

The recommendations are aimed at encouraging non-state enterprises to enter different fields, including the financial and utilities sector.

"(One of the measures is to) hasten reform in the monopolistic sectors of power, telecommunication, railway, civil aviation, oil and other fields, introducing competition mechanisms and allowing non-state capital to enter these monopolistic industries and fields,” said a statement posted on the Web site of the National Development and Reform Commission, China's top industry policymaker.

The NDRC statement said private investment would also be encouraged in the construction and operation of utilities and infrastructures; education; scientific research; health care; culture; and sports.

The measures would also allow non-state capital to enter industrial construction related to national defense technology, and potentially compete for related technology research and production, the NDRC said.

Private investment would also be encouraged in the restructuring and reform of state-owned enterprises, and the development of the western, northeastern and central regions of China, the NDRC said.

The recommendations state that banks should enhance lending to non-state sectors, mainly made up of small- and medium-sized enterprises, and encourages policy banks to extend re-lending and guaranteed lending to them.

The government plans to speed up the development of the nation's SME stock board as part of moves to widen direct financing channels for the sector, the NDRC said.

No timeline or schedule was given on when the recommendations would be rolled out.

Earlier this month, China's chief banking regulator, Liu Mingkang, was cited by the official Xinhua News Agency as saying a pilot program aimed at encouraging more
bank lending to SMEs would be launched this year.

This week Wu Xiaoling, vice governor of the central bank, was reported as saying some relaxation in lending controls could help promote non-bank lending, providing a source of funding for SMEs and individual borrowers.

SMEs are a mainstay of job creation in China, but have long faced difficulties in obtaining sufficient financing from commercial banks, which tend to extend loans to big state-owned enterprises.

The challenges became more pronounced with government credit tightening since mid-2003 to slow overly rapid economic growth and money supply, but Beijing has been trying to rebalance the situation.

China launched its first stock board for SMEs in Shenzhen last year.

-By China Bureau, Dow Jones Newswires; 8621 6218-3268; djnews.shanghai@dowjones.com

(Linda Lin contributed to this story.)

**UNICEF chief lists AIDS, childhood injuries as fresh challenges facing a changing China**

APRS000020050224e12o003gk
By STEPHANIE HOO
Associated Press Writer
364 Words
24 February 2005
07:16 GMT
Associated Press Newswires
English
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BEIJING (AP) - China's economic rise has helped stamp out diseases that still threaten children in other developing countries, though AIDS presents a potentially devastating new challenge, outgoing UNICEF head Carol Bellamy said Thursday.

Bellamy, on her last trip to China as executive director of the U.N. agency, used the occasion to reflect on changes she has witnessed in a decade's worth of visits. She steps down April 30 after 10 years in the post.

"The kinds of basic needs that one might have to confront in some parts of the world aren't as challenging here," she said. China is now free of polio, and hepatitis B doesn't imperil the vast numbers of children that it once did, she said.

But with plunging child mortality rates has come an increase in childhood injuries, which UNICEF will seek to tackle in China over the next five years, Bellamy said.
AIDS prevention efforts will also be a priority, she added.

In China, "there's been a breakthrough in that there clearly is recognition on the part of the government that HIV-AIDS is a real problem," she said. "But it needs to be seen as not just in limited populations."

China says 840,000 people in the country are HIV-positive, mostly drug addicts, sex workers and victims of a 1990s blood buying scandal. Health experts worry the infection rate could skyrocket without more aggressive prevention.

"Even though HIV-AIDS may start in some countries in limited populations, it doesn't remain there," Bellamy said.

UNICEF plans to spend US$100 million (euro77 million) in China in 2006-2010. "Our help is largely in the area of technical assistance, not so much financial assistance," she said.

Increasingly affluent China is starting to shift into the role of donor.

Officials presented Bellamy with a check Thursday for US$6.5 million (euro5 million) for UNICEF's tsunami relief programs -- part of US$83 million (euro64 million) the Chinese government has pledged to aid victims of the Dec. 26 disaster that ravaged southern Asia.

Clinton Signs Agreement With China To Provide AIDS Drugs
DJI000000200050223e12n00017
393 Words
23 February 2005
12:38 GMT
Dow Jones International News
English
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BEIJING (AP)--Former U.S. President Bill Clinton signed an agreement Monday with China to provide a year's supply of AIDS drugs to 200 children to help Beijing battle the disease.

The program is part of a three-year, $10 million deal struck last year between the Clinton Foundation and China's Health Ministry.

The Chinese government says an estimated 840,000 people have been infected with the AIDS virus in the nation. The U.N. AIDS agency says the number of infections could rise tenfold to 10 million by 2010 if urgent action is not taken.

"We have a real chance to keep this epidemic from spiraling out of control," Clinton said during the signing ceremony, held at the Health Ministry shortly after his arrival.

No details were released about the pediatric drug program.
Clinton said he has taken "personal pleasure" in helping China tackle the spread of AIDS and was impressed at the country's response.

"I hope China's actions will encourage other countries (suffering from AIDS) to do as much," he said.

Tens of thousands of people in central Henan province were infected in the 1990s because of an unsanitary blood-buying industry. In some villages nearly every family has a member with the virus, giving parts of the province some of the world's highest rates of AIDS infection.

Beijing has become increasingly open about its AIDS epidemic after years of denial, promising to provide free testing and counseling for those who seek it and free anti-retroviral treatment for the poor.

During the Lunar New Year this month, Premier Wen Jiabao visited AIDS patients and called for better prevention measures. The move not only showed the government's efforts to reduce the stigma of the disease, but also highlighted its concern about controlling its spread.

Since leaving office, Clinton has been using his celebrity status to get HIV therapies to needy countries through his Little Rock, Arkansas-based foundation.

He has brokered deals with several major pharmaceutical companies to supply AIDS drugs at discounted prices to the Third World and has sent policy experts to help countries fight the disease.

He has also channeled hundreds of millions in private donations and contributions from governments to countries, especially in Africa, where AIDS is rampant. [ 23-02-05 1238GMT ]

China drivers face tougher tests to reduce deaths.
LBA0000020050225e12p001p7
271 Words
25 February 2005
02:54 GMT
Reuters News
English
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BEIJING, Feb 25 (Reuters) - China is rallying to reduce its grim roadway death toll - the price of poor driving and exploding car demand - by putting new drivers through tougher training, the China Daily said on Friday.

The Ministry of Communications ordered driving schools to increase training hours and make tests harder before granting licenses, the newspaper said.

China's roads are the deadliest in the world, largely a result of dangerous drivers who commonly switch lanes without looking or signalling, ignore traffic lights, speed
down the wrong side of the road or even throw their vehicles into reverse when they have missed a highway exit.

"Poor safety awareness and inadequate knowledge about traffic safety for some drivers have become key problems to be addressed to reduce accidents," Zhang Jianfei, director of the Ministry of Communications highways department, was quoted as saying.

Almost 107,000 people were killed in road accidents in China last year, up around two percent from 2003, the report said.

World Health Organisation estimates are much higher, with more than 600 people killed and 45,000 injured on China's roads every day.

"Around 89.8 percent of the accidents were the drivers' faults," Zhang said.

The country's booming economy has translated into millions more people buying and driving their own cars.

More than 2 million new cars were sold in 2004, up 15 percent year-on-year, after sales almost doubled in 2003.

"By the end of last year, China boasted about 30 million vehicles, among which the proportion of private cars exceeded 50 percent," China Daily said.

CITY ACTS TO SCRAP BIAS AGAINST MIGRANTS

Beijing is expected to abolish a regulation for supervision of workers and business people without permanent registered residence in the capital city.

This is among 11 legislative items planned to be worked on by the Standing Committee of the Beijing Municipal People's Congress, the city's legislature, this year.

The standing committee also initially fixed plans for supervising law enforcement, hearing government reports and reviewing work of government officials, judges and prosecutors.

The move to vote next month for withdrawing the special regulation supervising migrant people was believed to be a signpost to treat them equally with local residents in Beijing.
But officials say that the abolition does not necessarily mean that all measures for migrant workers seeking jobs in Beijing, for example, temporary living certificate, will be abandoned.

Approved by the standing committee in 1995, the regulation, which is to be abolished, prescribed that a temporary living certificate was a must for all migrant people in the city.

Only authorized units and personnel were permitted to rent houses to migrant people.

Those units and personnel, as well as companies that hired migrant people, had to get approval from the local public security bureau.

Migrant workers were only permitted to work for professions approved by the municipal labour authority, according to the regulation to be abolished.

"This local regulation runs counter to the principle set by the central government which requires that migrant workers and business people should be treated as equals with local residents," Zhou Jidong, director of the Legal Affairs Office of the Beijing municipal government, was quoted by the Beijing Times as saying.

The proposal to abolish the regulation was submitted by the office to the Standing Committee of the Beijing Municipal People's Congress.

"Some restrictive measures in the regulation were unfair to migrant people. For example, they had to apply for various employment certificates before starting a career in the city," Zhou said.

But he emphasized that some prescriptions in the regulation, which accord with national regulations, will continue.

Besides the abolishment of the somewhat prejudicial regulation, another 10 local legislative items will also be discussed or voted on at sessions of the Standing Committee of the Municipal People's Congress this year.

Historical and cultural heritage protection, safety of large-scale social gatherings, and food safety supervision will be involved.

Meanwhile, preparations for legislation on noise prevention and cure, taxi management and others will be done this year by local legislators.

The standing committee will also supervise enforcement of local regulations on water pollution prevention, production safety, and the sale and purchase of seeds.

Local legislators will listen to and discuss reports submitted by the municipal government on communications layout, the draft of the city's five-year plan for 2006-10, rural education development and public health system construction, sources said.
Furthermore, a vice-mayor, four top government department officials, a judge and a public prosecutor will be reviewed by the congress.

They, elected and appointed by the congress, were required to receive work appraisal from legislators and will be voted about on their post performances.

(Permission 2001 by China Daily)

Health reforms 'crucial; to erasing poverty'

The mainland faces rising poverty unless health reforms are implemented, the only Asian winner of the Nobel Prize for Economics, Amartya Sen, warned yesterday.

The Indian-born expert on poverty was especially critical of authorities for not providing free vaccinations against disease, which he blamed for a stagnating infant mortality rate and slowing gains in life expectancy.

"The whole issue of health care has to be looked at," the Harvard University professor told a Hong Kong audience at a lunch organised by the Asia Society and Citigroup.

Professor Sen, who won the Nobel Prize in 1998, admitted to being an admirer of the mainland and said nowhere else in the world had there ever been such a dramatic reduction of poverty as in the past two decades.

But he said the dropping of free public health care after the introduction of economic reforms in 1979 had been a mistake. Good health and education systems had been a strong backbone for the reforms, but now "a price has been paid for China's slackening".

"Health care suddenly became private and in one step, China moved from a Canada-like system to a United States-like system, which in this case was not necessarily an improvement," he said.

He observed that last year, for the first time since dramatic economic growth began in the 1990s, the number of people living in poverty had increased. Xinhua reported last July that 29 million mainlanders were living on less than 2 yuan a day, 800,000 more than for the previous year.
Professor Sen said public arrangements for health, especially in dealing with epidemics and how medical treatment should be given, was an essential element in reducing poverty.

He compared China's development to India's, pointing out that in 1979, life expectancy on the mainland was 68 compared to 54 in the neighbouring country. Life expectancy was now 71 in China compared to 64 in India. This had occurred despite India having a slower rate of economic growth.

Professor Sen, a member of the World Vaccine Board, said the mainland was one of the few countries in the world where vaccines had to be bought.

"We're concerned about that. The infant mortality rate has stagnated. The question of how public health care is delivered is one of the important issues."

Other significant challenges were how the massive gains of globalisation were to be shared and finding the best way to tackle the widening gap between rich and poor.

Professor Sen refused to join the debate on how the Hong Kong government should define poverty, believing it would be wrong to "fly in and start making great, grand remarks."

"It's a complex calculation. Basically, you need to determine the minimum private income necessary to buy a basket of commodities to allow the basic requirement for the ability to be educated, have medical treatment and participate in public life," he said.

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CHINDEX INTERNATIONAL TO SUPPLY EQUIPMENT TO CHINA HOSPITALS
APULSE0020050217e12h0015p
923 Words
17 February 2005
Asia Pulse
English
(c) 2005 Asia Pulse Pte Limited
(Full text of a statement. Contact details below.)

BEIJING, Feb. 16 Xinhua-PRNewswire-AsiaNet - Chindex International, Inc. (Nasdaq: CHDX), the largest independent American distributor of Western healthcare products and services in China, announced today that its German subsidiary, Chindex China-Export, GmbH, had been awarded a contract to supply medical equipment to hospitals in two Chinese provinces under a financing arrangement sponsored by the German Government and funded by the KfW Development Bank.

The supply contract is valued at 5.1 million euros and is the second project awarded to Chindex under this program.

Chindex was awarded its first German Government-sponsored contract for the supply of medical equipment, in the amount of 3.0 million euros, last year and is in the
process of implementing that contract.

Chindex also announced that it intends to reinstitute its financing programs for Chinese hospitals backed by the Export-Import Bank of the United States under the new framework agreement which was signed by the Bank and the Chinese Ministry of Finance on January 24, 2005.

Chindex China-Export GmbH submitted the winning bids for two components of the Health Program and HIV Prevention II Component project funded by KfW, providing the financing for Chindex to supply 5.1 million euros of primarily German medical equipment to hospitals in Inner Mongolia and Shaanxi provinces.

In early 2004, Chindex China-Export GmbH was awarded a component of the Health Program and HIV Prevention I Component project funded by KfW, and is providing 3.0 million euros in financing for hospitals in Anhui Province to purchase primarily German medical equipment from Chindex.

The KfW has committed to ongoing programs for financing medical equipment purchases by Chinese hospitals.

Chindex intends to continue as a supplier for these programs and is one of only three companies that to date have been accepted as suppliers.

The completion of the Framework Agreement between the Export-Import Bank of the United States and the Chinese Ministry of Finance culminates over two years of negotiation between the two parties, during which time U.S.-Government supported financing packages for medical equipment purchases were unable to be processed through the Chinese system.

Now that the mechanism under which these loan programs may proceed has been finalized, Chindex will move ahead with its next planned Ex-Im Bank sponsored loan project.

Chindex will now be able to offer Chinese hospitals financing packages for the purchase of medical equipment at low interest and payback periods of seven years and more.

This is especially useful for hospitals with big equipment purchasing needs.

"Chindex is thrilled with both of these developments that will have positive impact on our capital medical equipment sales in China," Chindex President and CEO Roberta Lipson commented from Beijing.

"The hospital market in China relies increasingly on foreign government-sponsored financing to make purchases of medical equipment.

The addition over the past couple of years of our access to German Government financing through our German subsidiary has provided yet another program that we are able to offer to our hospital customers."
With Ex-Im Bank financing available again, we now have an even larger basket of financing options to offer to cash-strapped hospitals in need of top quality Western medical technologies.

Chindex continues to look for even more financing alternatives to offer to our hospital customers, including from other European governments," Lipson concluded.

**CHINA WATCH: Rising Incomes Drive Health Care Demand**

DJI0000020050217e12h00036

936 Words

17 February 2005

03:51 GMT

Dow Jones International News

English

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By Owen Brown

A DOW JONES NEWSWIRES COLUMN

BEIJING (Dow Jones)--A visit to a typical hospital in China, with its cracked stone floors, cold and damp corridors and reception areas jammed with outpatients jostling to register, can be a grim experience.

But as incomes have increased in China, so has the local demand for internationally accepted standards of health care, which until recently the hard-pressed state sector has been unable to provide.

The emerging demand has driven a wave of new hospital construction in the past 10 years, with more expected as living standards improve and private health insurance gains popularity.

A trend first driven by foreigners demanding better service in China is being accelerated by an emerging middle class, which finds the old public health service unacceptable and is willing to pay for higher standards.

The potentially fatal severe acute respiratory syndrome, or SARS, which swept China two years ago has also woken up local authorities to the need for better health care to stem epidemics that could threaten the government's economic strategy.

This demand is creating a market for hospital design, in place of simply filling a standard commercial building with beds and equipment.

A&S International Architectural Design & Consulting executive director Kai Wang said governments now have a larger budget for hospitals and there's a lot of demand for international firms to create designs.

"Our experience of the past two years was that we could not find enough people with which to do a project," Wang told Dow Jones Newswires. "But now there a lots and
lots of interesting projects."

A&S International, set up in Beijing as a private partnership in 2002, has already helped plan and design government-funded projects such as the first stage of the China National Disease Prevention and Control Center and the Tianjin Center for Disease Control.

**Importing Hospital Design**

But government-funded projects aren’t the only channels for investment in China’s health-care sector.

In 1997, U.S.-based Chindex International Inc. (CHDX), a medical equipment supplier, opened China's sole foreign-invested and operated medical facility.

Beijing United Family Hospital has seen a steady increase in the one-third proportion of local patients that originally used its services. That trend is mainly due to a change in public attitudes about health in the wake of the SARS virus two years ago.

TRO Ritchie, a U.S. architecture and design company, also spotted a potential market in China. But when they first arrived more than a decade ago, they found insufficient experience within the architectural community to handle the specialization needed to design an international-standard hospital.

"China just didn't know how to do a modern hospital," said TRO Ritchie Vice President David Rhodes.

The company sought to change that through seminars and pitching for projects, including their first attempt at an international-standard hospital in Shanghai's diplomatic zone in 1993.

In that case, investor funding ran out before the project was completed, and the building ended up being transformed into a commercial property.

But Rhodes said developers are now going after the high end of the China market, investing in hospitals that they hope will draw wealthy middle class patients.

"While it's a small percentage of the total population it represents a huge number of people," he said.

The company's projects in China include Shanghai AIC Hospital, Shanghai Brilliance International Hospital and Shanghai East Hospital as well as Tianjin Children's Hospital and Tianjin Eye hospital.

**Insurance Next Shoe To Drop**

Rhodes said that bringing modern hospital designs to China hasn't been just a case
of transplanting U.S. solutions.

In some cases, architects have to take traditional Feng Shui - Chinese geomancy - into account when tailoring designs.

"Most of the hospitals, almost all, have to have the windows for the patients' room facing south," he said. "We are trying to respect the Chinese traditions."

With business and government both accepting that health care is a potential money-earner, a third piece of the puzzle is edging into place as insurers eye an emerging market for health coverage.

During the iron rice bowl days, China's workers relied on their work unit to supply health care and hospital facilities, putting a drain on the resources of the state-run firms and ensuring the maintenance of only basic standards.

Furthermore, about 90% of Chinese patients who do use private health services in Beijing pay cash rather than use insurance coverage.

But with private and foreign-invested companies looking to external health-care providers and high-income earners more prepared to pay premiums for health coverage, insurers are beginning to develop China-specific products.

For example, Manulife-Sinochem, a joint venture between Canada's Manulife Financial Corp. (MFC) and China's Sinochem, plans to offer group health insurance by midyear in Shanghai, Beijing and Guangdong province.

A&S International's Wang said that with the spread of insurance coverage, he expects a new wave of demand for improved hospital facilities.

Once people start paying for their own health insurance coverage they will better appreciate their rights and begin to complain about the quality of China's health care services, Wang said.

-Owen Brown is China bureau chief for Dow Jones Newswires. He has reported on China for more than half a decade and previously covered economic developments in the Asia-Pacific from Australia. He can be reached at +8610 6588-5848 or owen.brown@dowjones.com. [ 17-02-05 0351GMT ]

China aims at permanent cure to farmer's low income with new policies

BEIJING, February 16 (CEIS) -- The Chinese government's "No. 1 Document on Agricultural Issues" highlighted raising overall agricultural production capacity as a
trump to reduce poverty among the country's huge population of farmers.

The document, released in late January, follows an increase of both grain production and farmers' income last year as a result of agricultural tax cuts and direct subsidies to grain growers.

Farmers gained a direct benefit of 45.1 billion yuan (5.43 billion US dollars) from these preferential policies, which the central government, in the latest document, promises to maintain in 2005, said Chen Xiwen, deputy director of the Central Financial Work Leading Group, a think tank of the central government.

"It is not enough to increase farmers' income by relying on direct government subsidies or tax cuts. Only when the overall agricultural production capacity, the basis for agricultural development, has been improved, can farmers get more profits from their work," Chen said.

Total grain output in 2004 reached 469.5 billion tons, and per capita net income for rural households was 2,936 yuan (354 US dollars), up 9 percent and 6.8 percent respectively over the previous year, according to the State Bureau of Statistics.

"The 'double increase' is the result of good policies, a rebound price of agricultural products and helpful weather," Chen said.

"But this year, given that price and climate factors are not always favorable, the central government targets a 5-percent increase for farmers' income and plans to invest more in agricultural infrastructure to improve grain production," he said.

The government's caution was also based on the fact that agricultural production has declined during the past decade due to shrinking arable land, aging water facilities, insufficient agricultural science and an unsound system for technology promotion, he said.

"China's current grain production capacity is not as good as that in end of the 1990s," he said.

To solve the problem, the No. 1 document in 2005 puts forward multiple requirements for "accelerating the buildup of the overall agricultural production capacity," including intensifying conservation of arable land, improving the environment, stepping up the construction of irrigation and water conservation facilities and promoting agricultural sciences.

The central government will also give priority to developing the agricultural processing industry and supporting training programs for farmers.

"If all these aspects are reinforced, it will not only help stabilize increases in grain production, but will also improve the efficiency and competitiveness of the entire agricultural industry and increase farmers' income," said Chen.

To ensure that the policies are carried out smoothly, the central government also increased public financial support for farmers. The No. 1 document requires that of the newly increased funds for education, health, culture and other social
undertakings, no less that 70 percent should go to rural areas.

In addition, the central government will "largely increase" capital investment in counties and townships in central and western regions that have fiscal difficulties, the document says.

"These policies will definitely be an impetus to increase farmers' income. Considering China has nearly 900 million farmers, we still have a long way to go," said Chen. (?)

Chinese premier spends news year holiday visiting AIDS patients
APRS000020050209e12900avq
By ALEXA OLESEN
Associated Press Writer
404 Words
09 February 2005
13:13 GMT
Associated Press Newswires
English
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BEIJING (AP) - China's premier spent Wednesday's Lunar New Year holiday visiting AIDS patients and calling for better prevention measures for the virus that the United Nations warns could infect up to 10 million Chinese by 2010.

Chinese state television on Wednesday showed Wen Jiabao shaking hands with an AIDS patient lying in a hospital bed, visiting a family who had lost both a mother and father to the disease and eating pork dumplings with AIDS orphans.

In November, President Hu Jintao was for the first time photographed shaking hands with an AIDS patient in a Beijing hospital -- part of a government campaign to show it cares.

In recent years, the Chinese government has launched efforts to control the virus after years of denying it was a problem.

Wen was shown by CCTV meeting with 10 virus patients in Henan province and listening to their stories. A pig farmer named Nie Zhan was quoted as saying that her health had improved with treatment and that she was able to return to work, last year earning $1,210.

"You have been hurt by AIDS and have suffered the worst agonies, difficulties and loneliness," Wen was quoted as saying to the group. "But the government and the party care about you."

CCTV said Wen spent three days touring Henan province, parts of which have the world's highest rates of infection after an unsanitary blood-buying industry in the 1990s spread the virus among donors.

Wen also visited the home of peasant Gao Baoliang, whose son and daughter-in-law died of AIDS, leaving the elderly couple to take care of a surviving grandson. He
called on local officials to take extra care of such hardship cases, CCTV said.

He was also shown eating dumplings -- a traditional Lunar New Year meal -- with AIDS orphans and watching a song and dance performance put on by them. Wednesday marked the first day of the Lunar New Year, the Year of the Rooster.

Wen later attended a government meeting on stepping up measures to prevent the spread of AIDS, CCTV said, but details were not given.

The United Nations AIDS agency says the number of infected people in China could rise tenfold to 10 million by 2010, from an estimated 840,000 HIV-infected people today, if no urgent action is taken.

Number of pre-marital check-ups drops, birth defects on rise in Beijing
XNHAA000020050208e1280005q
287 Words
08 February 2005
Xinhua's China Economic Information Service
English
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BEIJING, February 8 (CEIS) -- The number of newly weds who had pre-marital health check dropped drastically in the Chinese capital last year, against a growing incidence of infectious diseases and birth defects, according to the Beijing Municipal Health Bureau.

Only 5.03 percent of the 198,634 individuals applying for marriage went through health check last year; of those who had the check, 13.62 percent were found to suffer from infectious diseases or infertility, the bureau said.

Last year, the incidence of birth defects reached 13.49 per thousand in Beijing, higher than the normal ratio of 10 per thousand, according to figures from the Beijing Municipal Women and Infants Health Care Center.

Although the figures could not prove that lower ratio of pre-marital check-ups is a direct cause of higher incidence of birth defects, Beijing's health authorities have called for wider publicity of information about pre-marital check-ups, said Ding Hui, vice president of Beijing's Obstetric Gynecological Hospital, on February 8.

Concerned institutions are asked to provide free pre-marital check-ups to reduce financial burdens on needy groups, an official with the city health bureau said.

China adopted the new Regulation on Marriage Registration on Oct. 1, 2003. Under the new regulation, people registered with the civil affairs department for marriage can decide themselves whether to have a physical exam before they get married.

In the past, pre-marital health check was a prerequisite for obtaining marriage permit in the country.

China initiated a year-long nationwide publicity campaign last month to spread
China to eliminate clinical use of non-donated blood in 3 years

BEIJING, February 7 (CEIS) -- China will eliminate the use of non-donation blood in hospitals within three years, China's Ministry of Health announced at a press conference here on February 6.

Wang Yu, deputy director of the ministry's medical policy, said blood donation would replace blood bought from people and would account for 100 percent of clinical blood usage by 2008.

Before 1998, most of the blood used in Chinese hospitals was bought instead of donated. This led to rampant blood sales and ensuing infectious diseases.

The country's official number of HIV cases reached 840,000 in 2004, most of which were caused by illegal blood transactions in the 1990s.

The Chinese government has encouraged volunteer blood donation since enacting a law in 1998 designed to curb soaring blood-born infectious diseases.

In the past six years the percentage of donated blood used in medical work has increased from 5.47 percent in 1998 to 71.5 percent in 2004.

Problems remain, however, as not every province implements the policy seriously.

Shanghai, Tianjin, Beijing, and Tibet are the worst offenders, with their respective donated blood percentages much lower than the national average.

"Blood sales are still common in those regions," Wang said.

The ministry will release new rankings every six months, Wang said, in the hope that public opinion will put pressure on those areas that continue to violate the rule.
a senior agricultural policy-maker said yesterday in Beijing.

Chen Xiwen, deputy director of the Office of Central Financial Work Leading Group, also said new trade barriers imposed by importing nations contributed to China's staggering agricultural trade deficit last year.

"The income gap between rural and urban residents has not further expanded in 2004, thanks to a raft of policies to prod farmers' income growth, plus favourable weather and surging grain prices last year," Chen told a press conference yesterday.

Sluggish growth rate for rural incomes has long hampered China's rural development, while increasing money in farmers' wallets has been listed as a top priority for the central government for years.

In 2005 again, central authorities have designated "sustained, increased incomes for farmers" as a top task, according to a document released by the Central Committee of the Communist Party of China and the State Council on Sunday.

The document, widely referred to as "No 1 Document," continues all the tax cuts, subsidies and other policies welcomed by farmers last year into 2005, promising more such support will come farmers' way.

Tax cuts, exemptions and subsidies translated into a direct benefit of 45.1 billion yuan (US$5.4 billion) to farmers last year, Chen said

Average farmers' per capita income grew by 6.8 per cent year-on-year to reach 2,936 yuan (US$353.7) in 2004, the fastest annual pick-up since 1997, Li Deshui, commissioner of the National Bureau of Statistics, said last Tuesday.

Urban residents, on the other hand, saw their per capita income swell by 7.7 per cent to hit 9,422 yuan (US$1,135) in 2004, which is 3.21 times as much as that of a typical rural dweller, slightly down from the same gap (3.23 times) in 2003, the bureau statistics indicated.

"Given that China has at least 800 million farmers, it is difficult for them to catch up with urban residents in terms of income in a short period," Chen said.

But development momentum beats speculation that the rural-urban income gap may be exacerbated in the years ahead, he said.

"It is simply impossible for the scenario to occur, in which as claimed by some experts urban income will be seven times as much as rural income in 2020," he said.

Apart from policies to relieve farmer's financial burdens, China not only regulates its farm produce market to stabilize prices but also tries to cut the number of farmers so that farmers who have not migrated to cities for work can expand their production scale, he said.

In addition, the No 1 Document says finance departments at various levels should pool at least 70 of their newly increased funds - for education, health, culture and
other social undertakings - to rural areas.

"The growth of farmer's income will gradually go on a fast track, though the course may take a long time," he said.

Commenting on a China Daily question regarding the estimated US$5.5 billion agricultural trade deficit the country logged last year, Chen said China imported 8 million tons of grain in 2004, compared with a net export of 20 million tons the previous year.

The country also imported US$1 billion more animal products than it exported, according to Ministry of Agriculture figures.

"Some were imported because they were top-grade or because we could not produce them ourselves," Chen said.

But new trade barriers imposed by some countries closed off Chinese agricultural products from entering some markets, he said.

"It is necessary to improve quality and hygiene standards for the sake of human health, but such standards should be based on science and applied to foreign products the same way as they are applied to their own products."

Chen also said that there will be no strain on the supply-demand relationship in the market, since the country has sufficient stockpiles.

The country is expected to continue to be a net importer of grain this year, he said.

**Beijing Devises Social Security Draft for Rural Regions**

SCFW00020050301e13100001

653 Words

01 March 2005

SinoCast China Financial Watch

Page 1

English

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BEIJING, March 01, SinoCast -- The Ministry of Labor and Social Security (MLSS) has drafted a rural social security scheme pending approval from the all-powerful cabinet, the State Council.

The scheme classifies about 500 million workforce in the countryside into three groups: peasant farmers; farmers whose arable land has been expropriated by governments; and those having turned into workers at businesses in cities or booming townships.

MLSS, which has outlined several versions in the past, is pinning great hope on the ongoing scheme which the ministry said combines well the social security landscape with the facts in rural regions.
Notably, part of members of the first group and the second group will gain certain subsidies from the central government directly, according to the draft.

"The draft's highlight is that the State Council can contribute CNY 20 billion only for the gigantic plan relating to stability of the 800 million rural population," said Dr. Lu Haiyuan, a MLSS senior researcher who participated in the drafting.

Half of the appropriation, or CNY 10 billion, will go to around 200 million labors living in China's less-developed central and far western areas, with per capita subsidy of CNY 50 a year. The remaining half will be used to pay the full pension premiums for farmers in absolute poverty.

"It is more pragmatic and feasible than those before," Dr. Lu told in an interview, as the two-billion yuan of fiscal contribution is a drop in the bucket compared with the national fiscal revenue. The Ministry of Finance estimates that the treasury will hit CNY 2,550 billion for 2004 climbing by up to CNY 500 billion.

Peasants, whose requisitioned land locates in city downtowns, and the 100 million-plus farmers in provinces and municipalities in the east can receive specific allowances when joining in the rural pension system as well.

"But the allowances need to be provided by local governments rather than the treasury," Dr. Lu noted. Neither the central government will offer direct subsidies in cash to farmers-turned workers, measured by as much as 240 million in size.

By contrast, the State Council is expected to lay out some favorable policies to encourage opening pension accounts.

For instance, farming citizens aging 60 or more in urban plan zones are entitled to the hospitalization insurance against serious diseases; those below the retirement year can enjoy freely medical care insurance while employed by local firms, and the unemployment insurance otherwise.

A flexible social security scheme for farming workers is also in the pipeline, pursuant to their distinctiveness such as irregular labor relationship with employers. MLSS will allow these workers to withdraw money from and suspend contribution into their pension accounts in case of emergencies.

The latest scheme, in particular, gives priority to peasant farmers in the hinterland. "Our ministry brews up a tailored program aiming at those who are engaging in farming purely," Dr. Lu was quoted as saying.

In an unprecedented move, the program specifies that farmers can hand in grains annually in exchange for the equivalent of ready money when applying for pension coverage. They could achieve monthly basic living standard of CNY 50, CNY 100 and CNY 200 in the future by conceding 80 kg, 190 kg and 375 kg in grains on a yearly basis since now.

Official census shows that citizens older than 60 account for 10.92 percent of the total population in rural regions, or 1.24 percentage points higher than in the urban region. Farming elders will be growing at an annual pace of 850,000 over the coming
five years and reach the highest of 120 million in 2028.

Currently, 39.3 percent of rural senior citizens are living below the poverty line and 45.3 percent of them are worried about daily necessities, said China National Committee for Aging in Beijing.

WELFARE SCHEME TO COVER ELDERLY
CHNDLY0020050223e12o0000p
By Qiu Quanlin
228 Words
24 February 2005
China Daily
English
Copyright 2005 China Daily Information Company. All rights reserved.

GUANGZHOU: The capital city of South China's Guangdong Province hopes to set up a community service scheme offering nursing and medical help to the elderly.

Li Weijie, director of the Guangzhou Civil Affairs Bureau, told China Daily yesterday that a trial will begin this year in 16 communities within the city's six districts. If the scheme is successful, other areas will be included.

"The scheme is expected to cover all districts in the city within the next three to five years," said Li.

He said the network will mainly provide daily nursing and medical services for the elderly.

In addition, Li said the city will continue to promote social welfare services this year, by building a number of welfare homes for the elderly and orphans.

These would include a school for orphans and a home for those suffering from senile dementia.

Poor people, including the poor elderly and orphans, make up nearly 10 per cent of the city's total population, bureau statistics show.

"Some of them still do not have the protection of medical insurance and other welfare benefits," Li said.

To provide social welfare services for people in need, the municipal government has set aside 40 million yuan (US$4.8 million) to establish charity hospitals in the past 10 years.

(Copyright 2001 by China Daily)
Combined contributions and payouts to China's social security fund exceeded one trillion yuan (US$120.82 trillion) for the first time last year, Xinhua reported.

In 2004, China saw contributions into its social security fund increase by 70 billion yuan year-on-year to about 500 billion yuan. This represents the fastest growth in contributions in the past several years, Xinhua said.

Payouts to participants increased by 61.6 billion yuan year-on-year to 464 billion yuan, according to the report.

China's central government subsidized the fund by more than 50 billion yuan and local governments subsidized it by more than seven billion yuan, the report said.

China's social security network covers 163 million people on pension plans, 123 million for medical care, 68 million for on-the-job injuries, and 68 million for maternity insurance.

China is moving from a State-run cradle-to-grave welfare system towards a system based on employer and employee contributions.
been working in cities for more than two decades, be legally `urbanized.'"

With the announcement, Guangdong is believed to be the first among the mainland's 31 provinces to publicly take migrants into account. This strongly suggests Guangdong may take the lead to pilot reform of China's socialist-style residency or household registration system.

The registration system, launched in the 1950s, was a product and also an integrated part of the Stalinist-style command economy. Under it, the Chinese were strictly classified into two major groups: urban and rural residents _ farmers _ depending on their household registration. The state would take care of the urban residents by providing housing, jobs, medical care and social welfare while farmers had to survive on their own.

It was impossible for a rural resident to change his registration. His only chance was to pass tough entrance examinations to a university so he could be assigned to a job in a city after graduation. Nor could urban residents freely change their household registrations from one city to another.

Both political and economic concerns stiffened enforcement of the system during the Maoist era.

Politically, the system was very effective in limiting social mobility _ stripping away freedom to move around. Under the command economy, on the other hand, daily necessities were supplied to urban residents on rationing due to the inevitable shortages of planned production. Strict household registration was indispensable to restrict the growth of urban population.

Strangely enough, the system remains intact despite fundamental changes to both the economy and society that were brought by economic reform and opening up over the past 26 years.

Despite the fact that about 100 million rural workers have been working and living in cities, many for more than two decades, government statistics today show that more than 80 percent, or over one billion, of the country's 1.3 billion population are registered as rural residents. Even in the countryside, many villages have in fact become towns with the mushrooming of rural enterprises.

Despite the evidence that the system is woefully outdated, the government is still reluctant to change it. Why?

First, the government does not want to increase the spending for education, housing and social welfare that would be necessary if the urban population increases exponentially.

Related to this is the desire to keep urban labor costs down. Rural migrant workers are always paid much lower than their urban counterparts. In other words, the system is now a convenient instrument for exploiting rural migrant workers to boost the cities' economic growth and prosperity.

The system is also convenient for local officials to manipulate figures to boast their
When Deng Xiaoping launched economic reform, he set US$1,000 (HK$7,800) in per capita GDP as the criterion for a "well-off" society and the first step toward modernization.

Because of this, local government officials like to emphasize local per capita GDP. Obviously if the figures don't reflect the real urban population, per capita GDP can be easily distorted.

Cities and provinces thus prefer not to count their rural migrant workers when calculating per capita GDP. For instance, the Shenzhen government's economic statistics for 2003 said its GDP reached 286.05 billion yuan (HK$269.45 billion) that year, equivalent to 53,887 yuan per head. This was calculated on a population base of 5.3 million permanent residents. Shenzhen's population, however, is probably closer to 10 million if migrants are taken into account, and Shenzhen's real GDP could be less than half of what the government is reporting.

The household registration system has now become a big obstacle to rapid social and economic progress. It must be abandoned and replaced with a new system that is more suitable to today's circumstances.

Source: The Standard.
English summary:

Beijing, March 2nd 2005 (Xinhua) – According to Beijing Bureau of Labor and Social Security (BBLSS), by the end of 2004, Beijing had a total of 4.84 million people covered by Basic Medical Insurance.

In 2004, a total of 143 medical institutes received certificates and started providing services for BMI enrollees. Ten medical institutes being found to have violated the service agreements with BMI were terminated as BMI service providers.

It was told that five hospitals were promoted to A rank BMI service providers in 2004, making the total of A rank BMI service providers to reach 11. Furthermore, the growth rate of costs per hospital admission for BMI insurees in 2004 was 6.64%, a 10 percentage points decrease than in 2003.

English Summary:

Beijing, Feb. 17th, 2005 (Xinhua) – Commissioned by MOH and after consulting with more than 400 experts, China Association of Doctors has been drafting the training standards for resident doctors by medical specialty.

The first drafts of Overall Training Standards for Doctors with Specialty and Resident Doctors as well as Training Standards for doctors in 14 specialties have been
English Summary: Tianshui city of Gansu province pilot comprehensive urban health reform

Tianshui city of Gansu province has been recently chosen by MOH to pilot comprehensive health reform. According to MOH, the pilot city will try on all the reform components proposed in MOH urban and town health reform document. Specifically, the main reform components include the following:

- Consolidate the management of all health facilities affiliated to different government agencies and delegate them to the local government. In one to three years, separate hospitals and other health facilities from 26 central- or provincial-level state-owned-enterprises and make them subject to the health departments of local governments.
- Build up a relatively comprehensive urban community health service system. By 2005, a total of 19 community health centers and 80 community health stations will be established around the city.
- Improve service delivery capacity. In 2-3 years, a total of 130 million yuan will be invested in the city’s health system to improve its health infrastructure and renovations.
Change the incentive mechanism of the health sector. Spearheaded with in-depth personnel reform and income distribution reform, the health sector is to make hiring transparent and to encourage competition for jobs. All the workers hired are to sign contracts with their employees to eliminate lifetime employment. The health sector will also pilot performance-based salary and annualized salary to reward good performance.

Establish a comprehensive prevention and control system. Starting from 2002, the management of all the staff at township public health stations are to be turned over to district- and county-level prevention and control agencies, including salaries, business management and performance evaluation. By 2004, the integration of village health services into city health services should be completed.

The functions of government health departments should be transitioned from “running health sector” to “managing health sector”.

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http://garden.2118.com.cn/jzfb/zcsk/2002080101.htm
Low-income group are to entitle “super-low priced medical services” in Zhenzhou, Henan province

Zhenzhou, Aug. 1 2002 (Xinhua) – officially starting business today, Zhenzhou Jikun (meaning “help the people in hardship” Hospital will provide the 17,000 low-income people in the city medical services at a “super-low price”.

It was told the targeted clients of this hospital are di-bao recipients and other people on welfare, i.e. urban residents whose per capita household monthly income are below 180 yuan. The services provided are the treatment for common disease and chronic diseases that are covered by Basic Medical Insurance.

The hospital will receive 80 percent of its operating budget from Zhenzhou government, while making the rest 20 percent on it own.

According to Zhenzhou Bureau of Civil Affairs, patients have to show their di-bao cards, IDs, and medical cards in order to receive the super-low priced services when seeing doctors.

According to Zhenzhou Health Bureau and Price Regulation Bureau, low-income patients are exempted from paying registration fees, consultation fees, bed occupancy fees, and observation fees. Other services such as diagnostic procedures, treatment procedures and drugs can be provided at a 10-40 percent discount.