

Flow of funds to grassroots enhanced

Cabinet to explore establishment of regular special transfer payment mechanism for local governments

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The State Council has pledged to make the use of fiscal funds more efficient, with steps to explore the establishment of a regular special transfer payment mechanism to directly funnel funds to primary-level government to bolster support for businesses and individuals struggling to cope with the impact of the COVID-19 pandemic.

The Cabinet said after its executive meeting on Wednesday that the government will maintain the consistency and efficacy of macroeconomic policies and continue to implement a temporary special transfer payment mechanism.

The areas covered by directly funneled funds will be expanded to include more special transfer payments from central finances to provide livelihood assistance, guarantee the basic fiscal capacity of county-level governments and extend more support to grassroots authorities, the Cabinet said.

It said the move will also help ensure the wages of teachers at all compulsory-education schools can be paid on time and in full.

The central government introduced the special transfer payment mechanism in May to cushion local governments from the blow to their tax revenues caused by economic contraction in the first quarter of the year.

China increased its deficit by 1 trillion yuan (\$149.5 billion) and issued 1 trillion yuan in special COVID-19 response bonds as part of a more proactive fiscal policy, with the Cabinet setting up a special transfer payment mechanism to funnel the 2 trillion yuan directly to prefecture and county governments.

Premier Li Keqiang said at the meeting that the directly funneled fiscal funds have been used to cut taxes and fees for businesses and help shore up the confidence of market players.

“More confidence requires more actions than words,” he said. “We must create more tangible benefits for struggling businesses and individuals.”

The central government had delivered 1.57 trillion yuan of fiscal funds to primary-level authorities by the end of last month. Over 2 trillion yuan in tax and fee cuts were rolled out in the first three quarters of the year, according to the Cabinet.

With their fiscal resources replenished, local governments have been in a better position to deliver tax and fee cuts, secure jobs, protect market entities and people's livelihoods, support major projects and poverty reduction, and perform their functions, the Cabinet said.

Wednesday's meeting called for better management of the directly funneled funds, with measures to ensure funding can be allocated as early as possible.

It added that government departments nationwide must enable the distribution of funds in ways that are better calibrated, better regulated and more effective.



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It stressed that data transparency and sharing among government departments must be enhanced, and more rigorous monitoring must be enforced over the whole process of directly funneling funds.

“Auditing and monitoring must be stepped up to ensure that the funds are channeled to the most needed areas and are put into effective use,” Li said. “No muddying the waters or fishing for profit is allowed.”

Li Jinghui, head of the Ministry

of Finance's department of budget management, told a news conference in August that the directly funneled funds have served purposes including supporting a normalized epidemic containment campaign, facilitating the survival of businesses, helping more individuals find jobs and enabling grassroots governments to make ends meet.

The special COVID-19 response bond has also covered expenditure in the development of major programs to shore up the public

health system, including the containment and medical treatment system for coping with major epidemics, and a system for the supply of medical resources in emergencies, he said.

Some economists have highlighted the need for a more expansionary fiscal policy to shore up economic growth this year, even as China's GDP growth turned positive in the first three quarters, hitting 0.7 percent year-on-year.

Yu Yongding, research fellow of

the Institute of World Economics and Politics at the Chinese Academy of Social Sciences, said the central government should continue to increase fiscal expenditure and expand deficits to scale up support to local authorities and boost fiscal investment.

“There is still room for more fiscal investment to be made given the strong demand for public services, especially in urban transport, rail transit, education and healthcare,” he said.

Policy digest

SAR lawyers allowed to practice in nine cities

China has started a three-year pilot program to enable lawyers from Hong Kong and Macao to practice law in nine cities in Guangdong province.

Qualified lawyers from the two special administrative regions should take a professional qualification test before applying for a certificate to practice law in the nine cities, according to a guideline issued by the General Office of the State Council on Thursday.

The 13th National People's Congress Standing Committee voted at its 21st session in August to authorize the State Council to carry out the pilot program in the Guangdong-Hong Kong-Macao Greater Bay Area cities of Guangzhou, Shenzhen, Zhuhai, Foshan, Hui-zhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing.

The move is part of the implementation of the outline development plan for the Bay Area and service trade agreements between the Chinese mainland and Hong Kong and Macao that were revised last year, the NPC Standing Committee said.

The guideline said certified lawyers from Hong Kong and Macao will be able to provide legal services related to mainland laws governing specific civil and commercial affairs in the nine cities.

Guidelines for physical, aesthetic instruction



Central authorities have issued two sets of guidelines on strengthening and improving physical and aesthetic education in schools.

The guidelines were issued by the general offices of the Communist Party of China Central Committee and the State Council and touch upon education reform, facilities and faculties, curriculum design, and institutional support.

The guidelines set goals that will see a marked improvement in physical and aesthetic education in schools by 2022, and diversified, modern, and high-quality physical and aesthetic education systems established by 2035.

Local governments have been urged to thoroughly implement the guidelines in accordance with conditions in the area.

As schools in rural areas have less developed facilities for physical and aesthetic education, the guidelines said that more capable rural primary and secondary schools will be encouraged to build their own venues for physical and aesthetic education and share the venues with nearby schools.

Small schools in rural areas should endeavor to establish facilities and classrooms for physical and aesthetic education, it said.

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POLICY RESPONSE

Museums urged to make a difference in primary and secondary education

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A number of ministry-level departments, including those responsible for education, agriculture and rural affairs, market regulation, and public security, have responded recently to matters of public concern.

Museum outreach efforts to help school students

Museums in China are being encouraged to design exhibitions and education programs suitable



for primary and secondary schools, a guideline published on Oct 19 said.

Jointly issued by the Ministry of Education and the National Cultural Heritage Administration, it called for more cooperation between museums and primary and secondary schools across the country in an effort to help students better use museum resources.

It said museum resources should be fully utilized and asked museums to strengthen online education to promote the integration of their resources with the education system.

Educational museum exhibitions should be held regularly in villages so that primary and secondary students in small and medium-sized cities and rural areas can have access to museum resources, the guideline said.

There are more than 5,500 registered museums in China, according to official data.

Oceangoing opportunities in wake of fishing ban

China will provide remote online training and examinations for fishermen affected by a 10-year fishing ban in the Yangtze River Basin who are willing to work on oceangoing fishing boats to help promote their re-employment, a notice published on Oct 19 said.

Issued by the Ministry of Agriculture and Rural Affairs, it required local authorities to accurately determine the employment needs of local fishermen and the local demand for oceangoing fishing crew to better match them.

In January, China began a 10-year fishing moratorium in 332 conservation areas in the Yangtze River Basin. It will be expanded to all the natural waterways of the country's longest river and its major tributaries by the start of next year.

The full-scale ban is likely to



affect more than 113,000 fishing boats and nearly 280,000 fishermen in 10 provincial-level regions along the river, according to earlier estimates.

Campaign to tackle internet market problems

A campaign has been launched to address the most acute problems in the internet market, including unfair competition on e-commerce platforms, a notice published on Saturday said.

Jointly issued by the State

Administration of Market Regulation and 13 other ministries that are members of the Inter-Ministerial Joint Meeting System for Network Market Supervision, it said the campaign aims to centralize efforts to tackle problems while protecting the legitimate rights and interests of consumers and operators to safeguard a fair and orderly market environment.

The campaign, which will run until December, will look into problems such as unfair competition on e-commerce platforms, the online sale of fake and shoddy goods and the illegal trade in wild animals and plants, the notice said.

Age ceiling for first-time driver's licenses scrapped

China will allow people over 70 years old to apply for their first driver's licenses as long as they are fit and healthy enough to drive safely, the Ministry of Public Security

announced on Thursday.

From Nov 20, people over 70 will be allowed to apply for first-time licenses to drive small vehicles and mopeds, the ministry said at a news conference in Beijing.

Applicants will be required to pass assessments of their memory, judgment and reactions, as well as having annual health checkups and submitting the results, it said.

Considering the increasing life expectancy and improving health of Chinese people, more seniors will need to drive or learn to drive, said Liu Yupeng, an official with the ministry, adding that the move is aimed at meeting new demands from the nation's aging population.

The upper age limit for applicants for driver's licenses for large and medium-sized passenger or freight vehicles will be raised from 50 to 60, the ministry said.

Xinhua contributed to this story.