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PUBLIC HEALTH AND POLITICAL CRISES BEHIND CHINA'S GROWING TOBACCO
EPIDEMIC

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P R O C E E D I N G S

MR. POLLACK: Good afternoon, everyone, and welcome to Brookings. We're delighted that you are here.

My name is Jonathan Pollack. I'm a senior fellow and acting director in the John L. Thornton China Center here at Brookings and we are here, of course, to mark the publication of the latest Thornton Center Monograph by my colleague Cheng Li, but we're going to have a full program this afternoon that I think really is going to be most exciting in terms of an issue that in my view has not had the visibility, if you will, certainly in the United States that it ought to have, but because of this publication and because of the others who are present here, we're going to be able to have exactly that kind of a conversation this afternoon.

I think that the issue of tobacco, if we can just call it that for the moment, really captures as few issues do some of the daunting challenges that are not only there for the health and societal wellbeing of China, but of course for the entire population of China. The Monograph highlights many of these issues. It's really not only about the use of tobacco, but the place of tobacco in the Chinese economy as a whole, including, of course, in a few select provinces where it is very, very dominant and then, of course, the effects of tobacco use that will be highlighted and what can be done about it.

Now, all numbers in China we know are very, very big. But as I think some of the presentations will make very clear, the numbers here truly are staggeringly large and the implications of them, of course, are equally large and I won't steal the thunder of the speakers and the briefers, so, they will discuss some of those numbers in the future.

To me though, if I could add something that isn't explicitly on the agenda, but I think in some sense belongs, is the question of whether or what lessons learned there might be from the experience of the United States and other advanced industrial economies in curtailing tobacco use that some of us here today, a few of us, me at least, I'm old enough to remember the first surgeon general's report which was in 1964. It was featured, a major national television broadcast. It was greeted with something between skepticism and derision, but as Cheng notes in the study, in 1965, 52 percent of American males were smokers and in 2009, 23.5 million are smokers. Now, what that tells you is that great progress has been made, but this is, A, a very large campaign, and, B, it's not really over, but there may some important issues here that I think belong on a U.S.-China agenda in a way to sort of ask ways in which this kind of an issue, not if you will a traditional security in any sense of the term, but very much an issue that affects the wellbeing of the people of China and has implications, of course, on the larger context, as well, really warrant serious consideration.

This afternoon, we'll really be looking, as I would see it, at about three or four different levels, and, of course, the speakers will go into this in much more detail, but just for your own awareness, the first big issue, it seems to me, is what I'll call a structural issue. The dependence on tobacco in China for employment, for profit, for tax revenues, all of this makes it very, very deeply embedded not only at a bureaucratic level, but at a broader economic level the role of the state monopoly on control of tobacco. So, even if we think of tobacco use as addictive behavior, in a way, ironically, the reliance on tobacco for all of these purposes is also a form of addictive behavior. It's simply too many constituencies are beneficiaries directly or indirectly from the money that is

generated by such use.

The second level will be much more political, but both top-down and bottom-up, and I'm very glad to see that Cheng in the study really tries to address both issues. There's the issue at the leadership level of how important is this question to the leaders of China? How much are they identified with and truly committed to the issue of curtailing tobacco use and presumably at some point trying to limit tobacco production or turning the different tobacco industries to other kinds of more productive pursuits if that is possible? Is it possible to somehow reconcile the profound contradictions it seems to me that exist in this area between the centrality of tobacco and the economy of China, but recognizing the consequences that are so decidedly negative for the health and wellbeing of China's citizens.

The bottom-up issue, it seems to me, is at least as important and that reflects in effect the demands that are coming within Chinese society. We see this in a whole range of areas now, expectations of clean air, clean water, safe food, environmental protection. All are fundamentally, if you will, quality of life issues that many Chinese citizens are asking themselves and the question is whether they will have the power and the capacity and the determination to do something about it. This in effect goes well beyond the tobacco issue per se.

And then last and certainly by no means least, is the human side of this story that really needs to be addressed, issues of public health in China are now critical. The true costs here of the reliance on tobacco and the utilization of tobacco are pervasive and they are cumulative and, again, these will be discussed in the briefing, so, I don't want to take them on right now. Will the leaders of China in this context truly have the

courage and the determination to tackle these issues in a central way? And if they do not, what might be the longer term consequences? This is something that I think we all ought to be asking ourselves today.

Before turning over the program to the moderator and the individual speakers, let me just note that simultaneous interpretation is available, but we would just simply ask at the end of the event, you should, of course, return the receivers. Don't walk out of the room with them; it would cost us a lot. And, of course, I should also add that the video and materials and transcript of what transpires this afternoon will be available on the Brookings Web site and on the Thornton Center Web site hopefully by the end of next week.

So, without further ado, let me welcome all of you again and let me welcome the speakers and moderator to come to the stage.

DR. LI: Thank you.

MR. POLLACK: Sure, Cheng.

DR. LI: The speakers probably will come later on because we will use a screen.

Thank you so much, Jonathan, for that very comprehensive, insightful remarks. I also want to join Jonathan in welcoming you all, particularly send my appreciation for those who traveled from far. Dr. Huang from Beijing and really come here for this program and also Sarah England and my good friend Yang Gonghuan and also from the other cities.

Now, any major study of China requires intellectual collaboration. It is particularly true for this case because the public health issues are the areas that are

relatively new for me, despite the fact that I received early medical training in my early career.

And, so, because of time, I will not be able to acknowledge institutions and individuals on both sides of the Pacific really helping me tremendously, but my appreciation is profound.

Now, my topic is China's growing tobacco epidemic, political mapping, and anti-smoking strategy. I will cover three major areas. One is China's tobacco epidemic, a smoking dragon. This is a term some critics use in both China and overseas. It is a harsh term, but it sends a very clear message. Despite the economic growth over the past three decades, it's really quite a remarkable achievement. China's public health has a lot of problems. I think the other panelists also will shed light on that.

Second, I also wanted to explain the really remarkable achievements or progress on the part of the anti-smoking campaign and their perspective, how to further develop on this very important course.

And, thirdly, I will highlight the findings of my research about political mapping and also how to develop a sound strategy for this very important task.

Now, before discussing these three things, I will first start and share with you my main arguments about this research. The first is the high prevalence of tobacco use in China is China's single most serious public health problem, borrowing my friend Huang Guan a professor at Xinhua University, he actually also is delegate of the 18th Party Congress. He said this high prevalence of tobacco use is the largest manmade calamity of the 21st Century China, very, very powerful statement from intellectual within the system.

Secondly, now why the spread of tobacco use occurs in the context of a complex web of political power, commercial incentives, state industrial proximity, regional interests, and to a certain extent, cultural norms, as Jonathan also highlighted earlier. It's very complicated issues involved for many stakeholders and many dimensions of China's political and social economic life.

Certainly, the international campaign to control tobacco cannot claim any true breakthrough without fundamental progress in China. Now, also, the Chinese anti-smoking campaign has the potential to change the course of the global epidemic both nationally and globally. I think the next few years will be really a major test whether China will make that bold step and therefore change the landscape. I think it's a very, very important issue in our time.

And, finally, because tobacco governance is a multi-level task that involves the top leadership, the campaign needs to engage in strategic political mapping how to approach the top leadership, how to make sure there will be on the part of the campaign rather than block for some economic reasons or some representative vies the interest and et cetera. Now, these are the key arguments of my report.

Now, let me first start with the first issue, the smoking dragon. Now, this is evident in the three areas. First, China is the world's biggest tobacco producer. I will give you the detailed information, statistics. Second, China has the largest pool of cigarette consumers. And, third, probably most disturbingly, China is the greatest victim of the smoking-related health crisis.

Now, let's look at some of the astonishing statistics. First, China's total production of cigarettes accounted for 40 percent. This is updated statistics of the

world's total. About four times than the United States, which is the second largest tobacco-producing country, four times than United States.

Second, China's 300 million smokers are really one-quarter of the world's smokers and consume a third of the world's cigarettes.

Thirdly, China's smoking penetration rate was about 5 percent higher. That is 28.7 percent than the global average, was about 24 percent in the year 2009 and 2010. Thirdly, tobacco-related disease causes 1.2 million deaths every year and accounting 12 percent of total deaths in China.

And, finally, total smoking-related deaths are expected to increase further in basically 8 years will be 2 million per year if there's no drastic change in policies to stop this kind of epidemic. And with half of the victims die between the age of 35 and 64-years-old, astonishing statistics produced by China's researchers and medical professions and China's Public Health Ministry acknowledge these numbers.

Now, let me share with you some of the charts. This is China's total cigarettes revenue from 1990 to 2005. I think Dr. Huang probably has the updated statistics. You see the revenue increased significantly. In 2005, it's 240 billion Chinese yuan.

Now, this is the cigarettes production and also this from the early years, from 1952 until 2009, you see that a very clear increase. In many countries, particularly in the west, United States, U.K., and some of the European countries and also China's East Asian neighboring countries, actually you see a decline, but China continues to grow in this kind of astonishing speed.

Now, this is the study conducted by the WHO. It's about the top 10 risk

factors for mortality in China in 2000. You see that active smoking, is the second line, is already second largest cost for mortality. In the male population, it's the largest one, but this does not include some of the disease, some of the problem like the high blood pressure, as we know, is related with smoking. So, the real number is really very, very big.

Now, this is the Xinhua News, Chinese official media tells us that the smoking dragon is a phenomenon, is it's really quite powerful, the largest public health crisis in the making. This is by Xinhua News. I really applaud Chinese journalists and official media for taking this kind of a very important positive approach towards this epidemic.

Now, this is a photo I took last year when I visited through Yunnan, Yuxi, this is all in Yuxi, you can see it's different pictures and this is one of the largest tobacco factories in China. It's the outside scenes. Now, I did not get a chance to visit inside, but I got from Xinhua News, as well. This is inside. It's a very modern, very impressive factory. It's probably the state of art from their perspective in producing cigarettes.

Now, this is a chart about the Yuxi brand and Yunnan. About one hour or two hours from Kunming. You see this is only within 10 years, you see that kind of dramatically change, increase about the cigarette sales in this particular factory.

Now, let me move to a second part of my presentation. It's about a campaign. Now, let me mention a few things in terms of breakthrough or progress.

One important landmark event actually is related with Chinese government. Chinese government signed a FCTC in 2003, ratified 2005. It's really legitimizing the tobacco control movement. Government acknowledged it, and, therefore,

really opened the door for all this grassroots campaign, as well. So, we should give some credit that Chinese government did that.

Now, at the same time, also set up last year for the first time in China's five-year plans, had a clear statement that a resolution calling for the full implementation of a smoking ban in public places. This was adopted last March in 2011, really pushed by medical professions in anti-tobacco movement.

And, thirdly, never in the six-decade history of PRC has the public been so aware of the negative impact of smoking on health as they have been in recent years. Now, this is largely due to the impact of bottom-up, it's very much a bottom-up smoking campaign lead by NGOs and I particularly want to mention Professor Yanzhong Huang, and in China, she and other two legal professions happened to be all women, they have a nickname called Three Old Ladies. Of course, in China, they're really quite young, not really old, but it's respect. Three Old Ladies are changing the course of the history in China. They aggressively in the past 20 years along with Professor Yang Gonghaun Yanzhong, and the other two We Shring and Shugen Wah. They all work very closely in the CDC and also in anti-tobacco campaign. And we're so fortunate to have Professor Huang with us.

Now, they also really developed a broad coalition which particularly I described in the report is the landmark report 2011 by Yanzhong Huang and also aforementioned scholar Huang Guan. He is a delegate for the 18th Party Congress. They wrote a fascinating report, even gave the bad score for Chinese government. Out of 100 points, Chinese government was graded with 37.5 grade, is a failing grade, right? So, that's the background, really wonderful campaign.

Now, the issue is not just about the public health crisis. I can highlight five areas beyond the public health crisis. The first is economically detrimental. China's health expenditures tripled between 2000 and 2009. In 2005, the financial burden according to Professor of Economics Li Ling that the burden of smoking was 253 billion versus revenue, as earlier mentioned, from tobacco is 240 billion. So, it's not worthwhile economically compared with the medical expenditure, right?

Secondly, that socially destabilizing, because most smokers actually are from the poor, poor sector of the population and they really need to pay a very high bill for public health, and also, as we know, that the share of health costs paid out of pocket by individual in China is much, much higher than many other countries, particularly with developing countries. So, this could be a social problem into social unrest how to cover this kind of increasing medical expenditure.

The third is demographically devastating. This is a quote from one report released a few years ago saying one-third of all Chinese men now age 29 or younger will end up dying prematurely from tobacco-related disease. Astonishing statistics. I do not know how serious, how reliable scientifically, but that report caught my attention. I mean, you really cannot find a more serious challenge like this one if it's true.

Now, thirdly, it's internationally damaging, China's failure to fulfill its commitment to the FCTC, that treaty. We're standing in sharp contrast to countries that have made impressive progress in tobacco control, not just the western countries like U.K. and Sweden and United States, but many other countries. Now I think Russia and India are also catching up in this area, right?

Now, my friend Yang Gonghaun uses a very astonishing word, I will let

him say to refer to China, again, the sick male of Asia is really still with China in this kind of health epidemic. It's really a wakeup call despite all this impressive progress in virtually every area, but in public health facing daunting uphill challenge.

Now, finally, it's politically unpopular for the leaders because tobacco governance and public health security have become issues of the sensitivity related with corruption. Now, I want to share with you two things: One is Li Wei, a famous woman in China. This is the magazine; it's a leading journal in China called *Caijing Magazine*. In the issue of February 14 last year used the title called "*Shared Mistress*." She slept with 15 senior leaders, minister or ministers, all above. She is tobacco lady, started her career in tobacco industry in Yunnan. It's really quite a nasty story. Chinese media reported 15 leaders, ministers, deputy ministers, provincial governors.

Now I want to share with you some of them. (Laughter) One is a governor of Yunnan, Li Jiating. He now was sentenced for suspended death penalty, will be in jail for the rest of his life for corruption. Most of the corruption was related with tobacco industry.

The second person is Cheng Tonghai, former Sinopec CEO, one of the largest, probably the largest oil company in the world, also same sentence, suspend death penalty. Start with affair related with Li Wei, the woman we just saw. Of course, the story has some sexism or even racism because she came from an immigrant from Vietnam, her father, maybe a fourth from French descendent or whatever, but that's a different story. (Laughter)

Now, Du Shicheng, former Qingdao secretary, life imprisonment.
Another person, Beijing vice mayor, they all had affair with Li Wei.

Now, but interestingly enough, Li Wei is free. According to a delegate in the National People's Congress, they said she lives in Hong Kong with 1 billion Chinese, Hong Kong dollars in her bank account, free, but some of her clients are in jail for life. That's just a story I still do not know what's going on.

Now, let's move to the final point. For time concern, I want to finish in time. I have 10 minutes. Okay, thank you. I will leave some other things for my colleagues. Thank you.

Now, it's the most important issue, I think, in my presentation, it's the four levels. You will see the details in the report. Because it's such a complicated issue, we need to approach from different levels, first from top national leadership; this is a topic I will cover. I will not cover the other three things, but I'll very quickly just mention the other three levels.

One is the central government agencies. It's fascinating to know that a regulator of the tobacco industry in China is also its operator. Borrowing from my friend in Bloomberg News, Michael Forsythe, he said that just as similar, it's like the FDA being run by executives of Phillip Morris. This is exactly what happened in China. The controller and the operator is the same institution, same person. So, that's to see why we do things in complete out of control. It's conflict of interest, right?

Now, also Yunnan is the largest province production and also farming of tobacco leaves and also the hometown, Yuxi, I show you some of her photos early on. I did some case studies, looked at the details because we do need to have a clear sense of what's going on, how they interact with each other. Then we can have a better strategy to deal with these challenges.

Now, this is in terms of interagency coordination mechanism and the head of the institution is the Ministry of Industrial and Information Technology. They're followed by the two major ministries, Ministry of Health and Ministry of Foreign Affairs because they coordinated the treaties. And then by five institutions like Ministry of Finance and the State Tobacco Monopoly Bureau Administration and et cetera. These are basically the government institutions, the second level. I do not want to talk details.

Now, I developed a kind of for mapping just only in terms of how to deal with each issue areas like political commitment, which will focus on what, tobacco control and anti-smoking legislation with the National People's Congress and the details. This is all in the report. I don't want to go into detail. But this is in terms of hierarchal things because China's State Tobacco Monopoly Administration really it's like a pyramid from the top level to second tier, provincial level, and the third level, the prefecture municipal level, they all have the bureaus, and the grassroots is about 1,800 bureaus. So, structurally, it's a very, very powerful institution, right? So, I think the reform is much needed for how to deal with this kind of institutional framework.

Now, let me talk about the first one, the only thing I want to talk about, the top leadership. Let me review the generational change of the Chinese leadership. The first is the (inaudible) and the smoking. Camel is famous for (inaudible) pictures. This is the Cultural Revolution. Everyone in China, everywhere in China sees these pictures. (Inaudible) with cigarette, man hold power, all these kind of images, right? Now, this is more recent things. I do not know the author, but I saw online in China. No credit can be given because I do not know who did that picture. See the continuing inference of this first generation.

Now, second generation is by Deng Xiaoping. You can also see he is quite famous for smoking. He even sometimes told western journalists, this is a direct quote, he said, "My wife does not smoke." I smoke, but my wife is -- her health is much poorer than me. That's just kind of really the message is quite astonishing, but that's widely known in China.

And the third generation is really different. Jiang Zemin never smokes or at least far as I know that he did not smoke, and actually under his tenure, China was the host of the 10th World Conference on Tobacco or Health in 1997. He gave opening remarks. So, that's a very positive development.

Now, the fourth generation, the current leaders, this is I spend a lot of time doing research is the top nine leaders that none of them smokes now. That's wonderful news, but I'm afraid it will change with the next Politburo Standing Committee; we know some of the candidates, famous also for their habit of smoking.

Now, this is Politburo's next tier. Still, in certain cases, I'm still not entirely sure. I got conflicting information so I put a question mark. If you know the answer, let me know. Now, this is quite remarkable. Majority of them do not smoke. So, of course, I can't go into details, but this is the change of the -- at least current leaders never smoke publicly. That itself is a big progress.

Now, but at the same time, from time to time, they still visit companies. This is the Homtar company, top leaders visited. I have the detailed record about their visit to these companies, but you do see things, China signed that treaty, they become less and less likely to visit these tobacco companies.

Now, this is a newly-built museum in Shanghai. It's quite impressive. I

mean, advocating actually smoking and et cetera. Now, this is some of the senior leaders of the Tobacco Bureau. They are well-connected in terms of political power and et cetera.

Now, this is fascinating. This is just a few months ago, soon to be first lady; wife of Xi Jinping appeared on the national TV and national media along with Bill Gates to talk about no tolerance for secondhand smoking. She really emerged as a wonderful soon to be first lady to have the right courses in terms of AIDS control, TB, and also no smoking. I think it's a wonderful development. It's another very nice photo. This will give you some hope and encouragement.

Now, conclusion. For the Chinese leadership to reverse this ongoing catastrophic health crisis to save millions of lives, especially children, children's lives, is not a policy debate, but a moral obligation and a social political imperative and also time will tell us whether the tobacco control will be one of the top priorities for the upcoming Xi Jinping and Li Keqiang administration and thank you very much for not smoking. (Applause) Thank you. So, Dr. Huang.

DR. HUANG: So, because we have interpretation, I'm going to give the presentation in Chinese. The title actually for my presentation actually has something to do with the (inaudible) of the Monograph by Professor Li Cheng. I wanted to tell you something more about tobacco control in China.

I want to talk about four issues. The first is the background of the control of tobacco. The second is the issue of tobacco control basically is a test for the Chinese leadership in terms of their view of development. The third area will be about the future trend of the tobacco. The fourth will be the conclusion.

Everybody knows that for the past few decades, it has experienced a rapid growth that draws the attention of the entire world. However, with the fast economic growth, the Chinese actually do not see the same kind of improvement in terms of their health like they have seen in the economic growth. Like in the 1980s and 1990s, the health conditions of the Chinese, we could even say that we see very, very slow improvement and the situation is actually worse than many of the neighboring countries.

Based on the Human Development Index, the Chinese do not enjoy a good health as it does in economic growth because in the year 2010, China ranked 89th in the Human Development Index, and also the health life expectancy in China among the G-20 actually is quite backward. Under this kind of circumstances, we can actually see all the past histories when the Chinese, when the leadership and the government in China that actually paid attention to economic growth and not necessarily they were considering the health of the people as their policy priority.

Now, let's talk about the tobacco control in China. Back two years ago, and that would be the fifth anniversary of the implementation of FCTC in China, so, we made some assessment. Let me use some numbers to elaborate the situation like Professor Li just mentioned that. And China is smoking dragon with 300 million smokers and 740 million non-smokers, but exposed to secondhand smoking. There will be over 1 million tobacco-related deaths in year 2005.

So, if we look at the revenues and the profits from tobacco industry, also the costs in terms of medical care as a result of smoking, we can see that it has a negative impact on Chinese society. So, even though in China we have 300 million current smokers, however, about half of them would smoke cigarettes, would be like 5

RMB per pack, the kind of really cheap tobaccos. So, we can see from that number that tobacco is still relatively cheap in China, as Professor Mr. Li said that over 60 experts from both China and from other countries, they actually score the situation in China. So, China scored about 37 with 100 as the full mark.

So, what does the score mean? What information do we get from this kind of score? Well, we can see that the tobacco control in China is not like a simple issue of public health, but rather an issue that includes many other kinds of information because when we talk about tobacco control in China, it's not something you can solve as an issue of public health because all the numbers related to tobacco reflected on the concept of development of the Chinese leadership. So, whether we can have like effective control to come up in China will be determined by whether the Chinese leadership can actually deal with the similar issues in the political and economic arena. If they can deal with this issue well, as we mentioned that, this is like public health related and then the public health will improve. If this issue is not dealt with properly, there will be a bigger gap in terms of health between China and many other countries.

Now, why do we say that the tobacco control will be an issue that can test the developing concept of China's leadership? First, we can say that in the year 2003, everybody knows that was the beginning of the current administration and then there was this pandemic of SARS and everybody actually was thinking about issue of public health and people were trying to figure out why SARS could be prevalent for about six years without being controlled effectively and actually SARS was spreading from China to the rest of the world.

That issue itself reflected upon other issues like in the 1980s and 1990s.

That would be the neglect of public health by the Chinese government in those times. As a result, the medical care situation, also the health issues, they have all been accumulated as a negative issue. So, people were reflecting upon the issues and then began to realize that human health is more important than economic health. As a result, President Hu Jintao said a famous sentence that health of Chinese people will be the priority. So, therefore, based on that, we believe that the health of the Chinese people would be put as one of the priorities.

It is against this kind of backdrop that China in year 2003 actually ratified the FCTC. The fact that the government ratified the FCTC in the fast way reflected on the consideration it has in terms of giving a kind of priority to tobacco control. However, if we look at the situation after the ratification of FCTC and it still scored only a 37.3 with 100 as the full score, it shows that if you want to really change the development and concepts of the leadership where economy is always put first, this won't be easy.

And how we get the score of 37.3 because we can see that how people can be protected from secondhand smoking. We can see that in the past 30 days, 72.7 percent of the people all reported noticing people smoking at their workplaces; 63.3 percent of the people who actually have to work with other people who smoke indoors. So, now we can see that in the past five years, the implementation of FCTC is not that optimistic. So, I'm not going to go into the details such as like 85 percent of the diners at restaurants will smoke or at a lot of homes or in government buildings, even in government buildings, 58 percent of the government employees smoke.

So, the second strategy is to provide help for people to quit smoking. So, when the smokers go to see a doctor, only about one-third of them actually got asked

by doctors whether they smoke and they were actually asked to quit smoking and a lot of people just didn't get asked that kind of question by their doctors. And, however, about 92 percent of people can claim that they have never got any help in terms of quitting smoking.

The third point, when we talk about the tobacco control in China, more than 40 percent of the people never got encouraged for their own health that they better quit smoking. The next one would be about the warning on a pack of cigarettes. So, the slide you see is a cigarette pack in China now. It has got the warnings. However, the warnings actually I can say are not conforming with the FCTC. Now, it's got the number for the tar, it's a big number, is actually kind of misleading to tell you that it's actually a low tar content in the cigarette which means if I give you low tar, it means like high love, and that is still what you see on cigarette packs in China. So, if you look at like Zhongnanhai or Chowbashan, all the other like famous brand of cigarettes, they use very, very big and conspicuous numbers to show the fact that those cigarette are low tar. And when we look at this kind of situation, this is the third aspect I was talking about where China is more or less inactive in tobacco control.

The fact is that a lot of people have the misunderstanding of if it's low-tar cigarettes, there will be less health consequences. However, if we look at the numbers, if we look at the red part, and that shows the doctors, the professionals. If the doctors and a lot of better-educated people, they still have this kind of misunderstanding. For the less-educated people, they actually don't know much about it. However, we can see that in China, many of the teachers, doctors, I mean, those are better-educated people, they still have the misunderstanding. I believe this is something that Chinese media could

have done a lot better because the media for some reason just too keen to all the propaganda of the tobacco industry, which spreads the information that is taken by the general public.

So, we can see the advertisement and sponsorship. About 20 percent of people noticed tobacco promotions or the commercials. This is a very high percentage compared with a lot of other countries. If you look at the young people, about 40 percent of people would always notice promotions and commercials. The price of cigarettes, I've already mentioned that. If we can see that half of them would seek cigarettes at the cost of less than 5 RMB per pack. So, for these kinds of implementations of FCTC, whether it's good or bad, you can reach your own conclusion.

And this is the responsible person of the team, responsible for implementing FCTC. And he said that he believes that China has already conformed with all the requirements of FCTC. And this is what he said at the National People's Congress and the CPCTC and he said that some people say that we should raise taxes for cigarettes; however, I believe the tax on cigarettes is already too high.

So, now let's imagine, I've shown you a lot of facts that the cigarette tax in China is actually quite low and we've got 150 million people, they actually can buy a pack for 5 RMB. Now, we can see the price is very low. However, as one of the leaders in China, he could make that kind of statement. Now you can see that because under the leadership of the Ministry of Information Industry, deep in his mind is the profits by tobacco industry, not anything else.

But today something happened in China. What happened in China, now they have like a tobacco member of the academy. So, basically, we got this person who

has done some research to say that if it's low tar then it's low harmful, then this person got elected as a member of the Chinese Academy of Sciences. As a member of the Chinese Academy of Sciences, that's kind of the highest honor. It's the highest honor in the academia world in China. You have to do a lot of work to win the honor. Well, a lot of people actually got that kind of status through in a profit means because he had this premise is that less harmful, low tar, and he said that his contribution to academia is not improvement of public health. What he was trying to say is that his contribution is the large amount of profits made by the tobacco industry. The number is 4.86 billion RMB. And he's also earned for currency 243 million U.S. dollars. These are all earned from the expert of tobacco and cigarettes. So, now we can see that even though he was titled as an academia but he was talking about economic benefits out of the result of the tobacco industry.

And, so, he actually was chosen by some experts in textile and environment to review his paper and those people have very little knowledge of public health. And one of the members of the academy said I voted for him because I thought the tobacco industry is making a significant contribution to Chinese economy and that's why I voted yes for him to become a member. So, this we can say this is one of the topics that have drawn the most criticism from a lot of members of the academy including over 100 members of the academy joining hands in writing a letter to review the status of this member, however, I'm talking about 6 months ago, and today, things are still what they were.

Now, if we look at the leaders in China, the middle and higher levels also in the academic areas, most people are very tolerant of the tobacco industry. One of the

main reasons is the economic benefits by the tobacco industry. So, now, in China, if you really want to solve the problem, you need to rethink whether you should put public health first or economic growth first. This slide shows all the certificates and approval for the scientific research because this kind of (inaudible) certificates, actually, I get them from one of the Web sites of the tobacco companies. And, so, I can say to a great extent that tobacco industry is using a lot of what's called academic research by those kinds of people to make their own promotions.

For example, they can say a member of the Chinese Academy of Sciences is actually for us, he says low tar, less harmful, and things like that. So, right now, we're kind of like all trying to push each other away, we're kind of like at a stale, a stack, a snail. Because in China, there are a lot of arguments against control of tobacco.

I'm not going to go into the details about the arguments, but let me mention some of them. For example, they say that FCTC is actually a guideline, but, however, it is actually not as strict as a constitution and they say the FCTC is not a national law, therefore, we do not have to abide by it, especially for the other like principles or guidelines and those do not have a binding effect. So, people are actually trying to diminish the binding force of FCTC.

Some other people say okay, it is harmful to people's health, however, 99.4 percent of smoking is actually harmless. There is only 0.6 percent of the elements in cigarettes that are harmful and only 0.2 percent of the ingredients in tobacco would cause cancer. So, if it's like in the air or like some other people that -- what's the cost of lung cancer is air pollution, not smoking.

So, this type of fallacies are widespread in China, and many of these

fallacies are spread by tobacco industry and the tobacco industry and Tobacco Monopoly Administration even actually published a book called "*Strategies to the FCTC*," and in this book, a lot of policies are used by the Tobacco Monopoly Administration and this administration actually coerced other government agencies to publish these policies, and with this backdrop, it is not surprising for you to understand why the tobacco production continues to grow in China.

And this year, there's another book or research report, and in that report, it's that there's eight things in China that will have negative impact on the tobacco control work in China. Chinese tobacco industry actually uses a lot of promotion events and there are occasions, even including schools, and in China, there are more than 100 whole schools that are established by tobacco industries. Actually, there are two whole schools in Sichuan province are required by their provisional governments to change their name from the tobacco elementary school into just normal whole elementary school.

So, they also have a lot of publications. These publications can dispose a lot of the bad actions or behaviors of the tobacco industry, and also in the five-year plan, there is a clear statement on the tobacco control action, and in Chinese National People's Congress and the CPCTC, a lot of delegates presented bills on tobacco control. Also, there are a lot of activities or campaigns, such as smoke-free Olympics or smoke-free activities. Many legal professionals also established a Web site called Tobacco Control Legal Web site. In the past few years, these types of campaigns are advocating to put picture warning labels on the packages of the cigarettes.

In 1998, they had this kind of campaign or movement even online and local governments are doing some work, as well, and this year, in the City of Tianjin and

the City of Harbin, these two cities for the first time have their local legislation and these laws are in compliance with the FCTC. So, you can see that there is a movement of tobacco control, although these campaigns haven't affected the top level policies yet, but every big progress starts from a small step. So, we can see this positive progress in the tobacco control movement in China.

Lastly, there are some conclusions. First, if China doesn't a good work in tobacco control, the health consequences are very devastating. The World Bank also has a report. It mentioned that right now China has 260 (sic) Chinese people suffer from chronic diseases. And there's a huge medical expenditure in these chronic diseases. If China cannot do a good job in tobacco control, China will suffer very high health consequences, including the damage in the workforce.

And National People's Congress, as we also mentioned, these conclusions. And the new leadership is about to come to office in China. For this new generation of the Chinese leaders, we hope that they can clearly state the position that China will be positive in tobacco control movement and also have very comprehensive tobacco control policies, but China still doesn't have a very clear policy in place.

Actually, the WHO said after ratifying the framework convention, you should have the clear guidelines or policies in place, but China doesn't have them yet. But we hope the new generation of the leadership can promulgate these guidelines and policies. Only by doing that, China will become a healthy and strong country in the future. Thank you very much. (Applause)

DR. GONGHUAN: Thank you. It's a great pleasure to be here. I believe this is the first time for me to be at the Brookings to make such a presentation.

Just now, Cheng gave an excellent overview of the progress and the prospects of tobacco control in China and Professor Huang focused on the issue of political development, and basically gave another excellent presentation on how this issue of tobacco control actually reflects the China's leaders developing the concept.

I'm going to focus on a different angle here by asking -- it's still going to be focused on political commitment, but my question will be slightly different. Basically, I'm going to ask why is tobacco control not on the government decision agenda today given all these problems, harm that tobacco industry has done to the Chinese people? And we all know that China is a land of superb (inaudible) right? It consumes the most concrete and steel and it's the most greenhouse gases, and, of course, to the chagrin of health specialists, "it is the world's biggest tobacco producer, largest cigarette consumer, and arguably the greatest victim of the smoking-related health crisis." I quoted that from a Chinese report. Actually, in the words of the CDC Director Tom Frieden, "China has the biggest tobacco problem in the world," and he said that when he was giving a speech at the Council on Foreign Relations a couple of months ago.

So, despite the seriousness of the problem, so far, we still haven't seen any decisive government action on tobacco control in China, and by that, I mean the issue has not been up for an active authoritative decision by top leaders since the ratification of FCTC in 2005. And it is encouraging that tobacco control language was included in the government's five-year plan in March 2011 and the Ministry of Health acted to put an indoor smoking ban in place, but the ban has largely been disregarded, as we all know. And it appears also that the Ministry of Health seems to be the only government agency seriously pushing for tobacco control.

In other words, tobacco control has yet to be elevated “a specialized agenda” that is concerned by special government committees or a function of bureaucracies onto the so-called general decision agenda. That is basically the list of subjects within the government agenda that are up for an active authoritative decision. We haven't seen that happen in China. Actually, none of the top leaders so far have publically spoken out against tobacco use in China, and that is in sharp contrast to their attitudes toward other health problems in China, such as HIV-AIDS. We know that every year, when job always come out, shaking hands with people living with HIV-AIDS. This is a very powerful message, but we haven't seen that happen in the tobacco control field.

Ironically, each year, 1.2 million Chinese die of smoking-related illness. That is more than the death from HIV-AIDS, tuberculosis, and traffic accidents combined. And the lack of action for under Chinese leaders is also in sharp contrast to other countries like Cheng has mentioned in India and Russia, where we know that India, even though it has 275 million people who use tobacco products, it has followed global trends in tobacco restrictions, banning smoking in public places in 2008, and in 2009, it required graphic health warnings on cigarette packages. It has steadily raised taxes on tobacco products and most recently by 20 percent. When I was in India earlier this year, I was told by a senior official of the Ministry of Health, he said it very proudly, he said we are in full compliance with FCTC.

Let's now look at Russia. Again, this happened most recently, that we know in Russia close to one-third of the population smokes, right? But just I think 10 days ago, Prime Minister Dmitry Medvedev voiced support for a proposed ban on public smoking by 2015. I was very impressed when he said that the government is not at war

with smokers, but we are making a stand against smoking. None of the Chinese leaders have made a stand against smoking, even as Cheng has said, all the Politburo standing committee members are non-smokers, but they haven't made a stand on this issue, right?

So, why is that the case? I want to unravel this puzzle. I think it makes sense for us to examine the three streams and the Chinese policy dynamics. Basically, the problem streams, the policy streams, and the political streams. By "problem streams," I mean how is that problem being recognized among the Chinese leaders? By politics, I mean is the political climate right for effective government action? By proposal streams, "policy streams," I mean is it politically acceptable and technically feasible solution available in China?

So, let's first look at the problem streams. The question is how does a given condition such as tobacco, the harm caused by tobacco use get defined as a problem awaiting government action? The answer basically lies in both means by which policymakers learn about those conditions or the ways in which conditions become defined as a problem, right?

What scientific evidence and statistics categorically pour into the negative consequences of tobacco use in China? It is worth noting that, A, there is still a lack of consensus on the cost of tobacco use, even though Dr. Li has already invoked the research by Peking University, the Center for the Chinese Economy Studies, even though the total economic cost of smoking was much higher than the fiscal revenue joined from the tobacco industry, but still, many of the Chinese government officials and Chinese leaders, they believe that the tobacco industry is good

for Chinese economic growth, and actually they believe, some seriously believe that it's crucial for Chinese economic growth. And but this is already confusing enough to dissuade the Chinese leadership whose legitimacy we know hinges upon economic growth, not to pursue active policy on tobacco control.

And, B, unlike acute outbreak event like SARS like 2003, well, that can quickly raise the eyebrows of national leaders. Smoke-related illness and mortality is basically attrition epidemic or in the words of the Politburo member, Wang Yang, it's like a frog in a pot of slow boiling water, right, eventually to Xinhua, right? That is unlikely to generate immediate and strong (inaudible) among the key leaders and strengthen the state autonomy from the special interest in decision-making. Dr. Li already in his book pointed out that leaders believe the health consequences of tobacco were taking about 10 to 20 years to develop them, right? That's actually the best example what leaders actually think about this issue.

And, C, despite the profound social, political, and economic implications of China's tobacco epidemic, the issue has not been framed as a security problem, right, unlike HIV-AIDS which is already securitized and therefore successfully reclassified from a condition into a problem. We haven't seen that happening in the case of tobacco control. So, this is the problem with the stream. We say basically the condition has not been classified as a problem here, right?

And, next, let's look the policy proposal generation process, right? Basically, this is the process of the diffusion of policy ideas in professional circles and among the policy elites, especially bureaucrats, right? It involves, of course, academics and specialists, activists, and bureaucrats, right? The consensus here is mostly a

process of persuasion that you persuade the other side to accept your ideas to reach a consensus. The problem for China is that that it has yet to find a viable and all agreed upon policy proposal to address its tobacco epidemic, right?

First of all, we know that the discourse on tobacco control through conferences, forums, media reports, circulation of papers have, thanks to the efforts of Professor Huang and others, have to some extent softened up the policy environment, but that, to be frank, it is still not adequate to coalesce around the consensus for need for significant change in China, right? I'm not going to explain that for sake of time.

And, secondly, there are some cost-effective, best buy, technical, and feasible solutions available. We know that actually the study published by the *Lancet* magazine found that the accelerated implementation of the FCTC through tax increase, product labeling, advertising bans, and smoking restrictions would cost actually only 14 cents per person per year and would bring major change in China, but these measures are not congruent with the dominant values of the policy community in China. So, they would not be selected out, right? Again, Dr. Li said that the leaders believe that a strong tobacco control policy would be in direct conflict with the state's overall goal of economic development. Professor Huang also made the same point here, right?

And, thirdly, this issue of anticipation of future constraints, basically, if you're making the decision, you're not going to push strongly for proposal if you anticipate these future constraints like public acceptability of that policy proposal. That is exactly the problem here in China's tobacco control because smoking has become part of the culture in China, right? People offer cigarette because they believe it's an easy way to make a friend, solidify a bond, or ease an introduction.

My personal experience, my father several years ago visited the United States. He's a veteran smoker. He visited United States. Of course, we didn't make any cigarettes available for him, so, he had no choice but to quit smoking. He stayed here actually for a couple of years, very healthy, and but when he returned to China, he resumed smoking. So, I asked him why. His answer: If you are offered a cigarette and decline, you are seen as rude. That, I believe, not just himself, but every Chinese smoker would think that way probably. This may itself discourage the adoption of certain anti-smoking measures, effective anti-smoking measures, and for the Chinese leaders, because they already face legitimacy problems, they probably figure why bother offending 350 million smokers by restricting their freedom to smoke?

And, finally, let's examine the political climate. Again, this is a political process that includes swings of national mood, power jockeying, changes of administration, and it involves politicians, bureaucratic leaders, pressure groups. Consensus-building, which is different from a proposal generation is actually built mostly by bargaining. In the words of Professor David Michael Lampton, well, this is like "a plum for a peach process" (speaking in Chinese) in Chinese.

The political environment so far has not been right for government action in this area. First, let's look at the bureaucratic politics. We know that Ministry of Health is the primary central ministry championing tobacco control, but we also know that the Ministry of Health is bureaucratic-weak compared to the powerful Ministry of Industry and information industry which has leadership relations with the State Tobacco Monopoly Administration, STMA, right?

A compromise between the two ministries is very unlikely because they

pursue totally different objectives here, right? The Ministry of Health wants to reduce consumption, production of tobacco, but the STMA, they want profit, they want to expand the production, right? So, this is like day and night. It's very hard to reconcile that difference in rich compromise. And, also a compromise between the two is very unlikely because the Ministry of Health doesn't have much to offer in the bargaining process. We have read a report that basically describes how an official of the STMA basically accused a delegate to the FTA talks, which -- how many minutes do I have?

MS. ENGLAND: Five minutes.

DR. GONGHUAN: Oh, five minutes. That's more than enough.

Well, basically, that official from STMA accused this delegate in the FTA -- sorry, it's tongue twisting. The delegate happened to be from Ministry of Health. I think is that you, Professor Huang? Yes, basically, she was accused of being a traitor and that guy further said that you guys were Secret Service officials and one-tenth of your salaries actually comes from us. So, this is actually the very example of how there's really not much that the Ministry of Health can offer in this bargaining process.

And, secondly, let's look at top elite politics. Basically, there's a lack of incentives of skills of the top leaders to create this political climate for implementing more significant tobacco control measures.

I just want to offer an example from India. The Indian government seems to be very sophisticated in pushing for stricter tobacco control measures. During the FCTC negotiations, they actually played a sophisticated -- what Robert Putnam would call a "two-level game" consisting of simultaneous and mutually reinforcing negotiations at both the domestic level and the international level. In 2003, for example, during the

FCTC talks, the Indian cabinet approved strong provisions of the Tobacco Control Bureau's empowerment and because of India's lead role in the FCTC negotiations, the parliament had no problem of passing that legislation. Well, that led to the Indian Tobacco Control Act in 2003 and that act in turn strengthened the Indian's position at the negotiation table pushing for strong FCTC.

China could have done the same, especially considering that the 2003 SARS -- Professor Huang also said that in the presentation, the 2003 SARS actually opened a policy window to couple this 2003 FCTC negotiation with the post-SARS public health capacity building, but, unfortunately, even though China ratified the FCTC and it's very good, but as we train a very strong advocate of tobacco control sake that the top leaders, they don't have strong will in tobacco control, it's no expression of that strong will, right? And since you might wonder whether now that incentive, of course, not since 2010, we know that the government has been preoccupied with playing this game of a distribution of power and more recently they were preoccupied with writing political obituary, right? So, I think that probably that job has been done, right?

And, so, if you look at, just examine the three streams, the problem has not been fully recognized as a problem and all agreed upon policy proposal is not available. The politics is not receptive to stricter tobacco control. So, there's no progress, right?

Okay, how many?

MS. ENGLAND: (off mic).

DR. GONGHUAN: Okay, it's time. So, maybe I would just stop here, but I was thinking of talking a little bit about the role of the policy entrepreneurs people like

Professor Huang, but obviously I don't have time, so, I'm going to stop here and thank you. (Applause)

MS. ENGLAND: Good afternoon, everyone. Thank you for coming.

We now have a chance to talk with our panelists. In a minute, we're going to have two microphones. It'll be available for questions from the floor. If you plan to ask a question, please wait for the microphone to get to you and identify your name and your institution and please keep your questions short so that we can get to as many of you as possible.

Before we start, I'd just like to make a couple of points and start the conversation with our panelists. Something that is not obvious sometimes to people in the west is the effects of the one child policy in China. So, what we have often now in this generation of new parents is families where the mother and father are each single children, and in that case, in many jurisdictions, they are allowed to have two children if both parents are single children.

So, you have this couple, let's call them Mr. and Ms. Wong, and they have their two little kids. Now, think about it, traditionally in Chinese culture, you care for your parents, right? So, they have each two parents and sometimes if they're grandparents are alive, they may have how many?

SPEAKER: (off mic).

MS. ENGLAND: Four each. Four grandparents each. So, what you're thinking of is one couple, one working couple with potentially 14 dependents, right? Now, the retirement age in China is quite young. For women, it's 55. Of course, that doesn't mean women stop working after 55, but, officially, they can be asked to leave their post

and lose their salary after 55.

So, you think about this family of 14 people, one working couple, what happens when this tidal wave of non-communicable disease caused by tobacco hits this family? What's going to happen to this family of two working people? So, the devastating effect, first of all the care for the person who is sick because, often, that falls to the family, the medical costs which can be devastating financially to the family, the loss of the contribution of the sick members of the family, for example, grandparents are often taking care of babies in China. You see that, it's very common.

So, you can see that at the microeconomic level, the impact of this disease burden is very potentially devastating and it's also something that may not be accurately reflected in the numbers that the economists are seeing because if you think about medical costs and how financially devastating they are at the micro level, at the larger level, remember that this is a kind of industry.

In China, they're growing the medical sector and what that means in many cases is that hospitals are borrowing money, they're taking loans out to build infrastructure, to build new hospital buildings and so forth. To pay off those loans, it's not the central government putting the money in; it's the hospitals borrowing the money from banks. To pay off those loans, they have to gain a profit from their market and their market is sick people, right?

Now, assuming that the people are not so sick that the labor force is drained, it's all good, right? I'm not saying it's good, but from an economist's perspective, this is mobilizing people's personal savings that they've been saving for a rainy day such as when they get sick, taking that money out from under the mattress and going and

spending it in a medical sector where it's going to pay off this capital infrastructure, it's generating jobs, it's boosting the GDP. So, when we talk about the big medical costs, I'm wondering are there people who see this maybe as a plus, who are seeing dollar signs in their eyes when we talk about these huge numbers, this huge burden of medical costs, and who are not seeing the effect on Mr. and Ms. Wong and they're not seeing that the future generation will miss out on the good schooling and so forth that this economically-devastated family will be experiencing?

So, my question to you and particularly I think to Dr. Yang because I think you are very familiar with the health system, as the biggest experiment in health sector reform rolls out in China, as the government has more and more of a financial stake in health because of more widespread health insurance in China, do you think that the attitude to medical costs may change and that this might change the government's view of the burden of the tobacco epidemic in China? And please go ahead and answer.

DR. GONGHUAN: Well, that is an excellent question. Well, I think for the Chinese leaders themselves, they don't need to worry about health care costs. That is personally not a problem to them; they have access to the best health care in China actually. There are some statistics that cannot be independently verified, but basically says majority of the health care funding basically is spent on those 8.5 million government officials. But we also know that even the dictators, even though they are not accountable to the people, they still want to be liked, right? That explains why they are pushing for this idea of health care reform and spending billions of dollars on health care reform and while that is, I think, a good thing, it's the positive change, although, I would have to say what the government claimed of so-called 95 percent coverage is a true lie,

and, in fact, 200 million migrant workers obviously are still not covered even though officially, they are.

And, eventually, this is going to become a problem, this skyrocketing health care costs. That is going to be a huge burden to the Chinese families. They say that by 2025, this is going to increase by 50 percent of the health care spending, but in the meantime, I think there is a schizophrenic policy coming out. Basically on the one hand we'll say we need to control the health care costs in China. That is not acceptable. But on the other hand, the people, the government officials saying how are the share of the health care spending as a percentage of the GDP is still very low? It's only 5.1 percent. The global average is 9 percent. So, we still have lots of room to improve in that regard. So, I feel like well, this is a very schizophrenic policy and I don't see how they could balance these two developments.

MS. ENGLAND: Yes.

DR. LI: Well, I think that Sarah really raised a very, very important issue, that on the surface that Chinese government, this is the reason they want to promote tobacco industry because this is somewhere between 7 percent or 10 percent of revenue and even more than real estate or oil industry. So, it's a very important industry.

But, on the other hand, you said so rightly this is pennywise, pound foolish because really it's a reveal fundamental challenges beyond public health, economically, socially, demographically, politically, internationally, name it.

Now, here's a question that Dr. Yang said repeatedly, I think you're right that most leaders perceive this as a long-term challenge. I'm only interested in short-term things. But it's not really long term because China, it's a miss of the major change.

China will be hit in both as a developing country, as a developer country to a certain extent, to level of the health care crisis.

On the one hand, you see the population is still poor, cannot afford basic health care. Second, on the other hand, it's the developer countries' disease problems, diabetes, high blood pressure, name it, and at the same time, China's public health system is not adequate at all to deal with that. So, public health issue emerged very, very rapidly as one of the top issues. That issue could immediately undermine the social political stability of a country; further reveal the fundamental crisis in terms of the legitimacy of Chinese Communist Party.

So, I think if the leaders are smart, particularly upcoming leaders, they should realize and they should do that now before it's too late.

DR. HUANG: Yes.

MS. ENGLAND: Professor Huang?

DR. HUANG: I agree with Professor Li. I think that maybe before it's just about regular people is a (inaudible) medical we face, but (inaudible) is that change, a leader change and the more (inaudible) is by the government. So, I think before it's the government's deal to consider, maybe just it's the tobacco industry gives government revenue for the medical (inaudible) just by the family member, but (inaudible) change and it's more and more propulsion is paid by government. So, I think it's the conditions to push the government to change their attitude.

And the second is I think some leaders may face is (inaudible) by the tobacco industry. They think oh, whatever revenue, if we use (inaudible) if we use tobacco control will be the effect, the tobacco income, but, in fact, it's way ahead, 20 or

30 years to change the industry because we have a load of smokers. They cannot really stop smoking in one day. So, that's why I think what Professor Yang said is right. We have a long way to persuade the top leader. So, I think we should affirm the policy and the political level to persuade a new leader.

MS. ENGLAND: Okay, I think we have about 20 minutes. So, why don't we open the floor?

I think we have a microphone. We've got a question here. Got a question here, yes.

Could you identify yourself, please?

SPEAKER: Okay, so, first I'm Ching Ching, intern from here, Brookings Metropolitan Area Program. Thank you for all your wonderful speeches. I totally agree, it's not only a public health problem, but also a social political problem.

So, right now, I'm concerned about a specific group like the China's internal migration workers and also the children. So, I'm wondering, do you have some specific concerns or research on the effort for that group? And the following question is: How do you think the international involvement or international organizations will play in the bottom-up structure?

Thank you.

MS. ENGLAND: Professor Huang?

DR. HUANG: So, several research is about the floating population. So, first, it's maybe you can search in some paper is developed for the woman, it's in a floating population. So, generally, in China, it's for the women's smoking rates is very low or almost just 2 or 3 percent, but for the floating population, maybe 15 to 20. So, that's

maybe we should pay more attention is for these areas.

DR. LI: Well, I wanted to answer the second part of your question about international dimension. As we know that at least a sizable group of people in China or intellectual community, they're always critical about foreign pressure. They think it's a deliberate effort to contain China, embarrass China, or put China down and et cetera. But they have difficulty to argue on this issue.

Now, of course, some people accuse Professor Huang as a traitor, whatever. That voice is made very insignificantly in my view. The fact is that it's really China's own problem because only 2 percent, maybe even less than 2 percent of cigarettes sold in China are from foreign countries. So, that really tells you a lot. And also that most of the NGO or foreign foundations are really very friendly with China to support this cause. You see the Bill Gates Foundation. Of course, the Bloomberg Foundation. They all take a very friendly approach to China. It's in China's best interest to improve.

Now, one thing I should also mention, Professor Huang's campaign, the three old ladies campaign, really with respect, the other old lady, the really remarkable, very courageous ladies. They designed the program in such a powerful way to recruit some of the leftwing lecturers to this campaign, some of the famous journalists or journalists or professors usually always criticize the west, but they also think in that area, it's in China's best interest to do that. So, you really cannot blame foreigners. Anyone to argue that in China, just really a self-defeating argument.

So, I think one of the important things like a conference like this, we are very passionate about this because it's such an important issue. One million people die

and two million people will die every year. So, nothing's more important than this kind of issue. It's in China's best interest, the international community, show our good will. We sometimes use harsh terms like the smoking dragon or even sick men of Asia, but just want to make --

DR. GONGHUAN: That would make me the enemy of the Ministry of Health.

DR. LI: Okay, yes. It's really a wakeup call --

MS. ENGLAND: You are on the side of --

DR. LI: -- to see that in that fundamentally important area, China should show its responsibility. China, Chinese government, particularly Ministry of Foreign Affairs always says that China is a responsible stakeholder, China combined laws and norms. Now, let's look at the 37.3 points, how to improve it, improve it now.

MS. ENGLAND: Thank you.

DR. GONGHUAN: May I just -- well, it's also for the second question, just to follow-up on Cheng's.

I think even you could say the Chinese regime is opaque, is authoritarian, the international atlas and the international players, indeed, have an important role to play in the process of agenda-setting, policy formulation, and implementation. That we have seen very clearly in China's setting of the HIV-AIDS agenda, right?

I think the same could happen in the case of tobacco control, it's just that, first of all, I think the international actors', players' movement in supporting Chinese tobacco control movement got to have their message loud as possible, as clear as

possible, and as consistent as possible. I think it's not their job to sing the praising songs to the Chinese leaders, praising how great their job is. I think they could play a constructive role in this process.

And, secondly, I think they could help the Chinese civil society to play a more significant role in Chinese tobacco control, also for the three ladies, right, Professor Huang, Shugen Wah, and We Shring, but they themselves feel like, to quote Shugen Wah, she said she was like very pathetic, in her words, retired old ladies confronting huge tobacco industry alone. That should not be the case; especially these are the people who are promoting a cause. That is good for the Chinese people, that is good for the Chinese economy. I don't see why they should be fighting this cause all by themselves, right? And I was appalled when I saw that Chinese largest anti-tobacco campaign, this movement has only like 1,000 people with a budget of \$61,000. Very small percent. The share is from the government. That shouldn't be the case. If the money can't be from the government, why not the international community support them, make them financially viable, make a big difference. Yes?

DR. LI: I hope another lady can play an important role, the soon-to-be first lady.

DR. GONGHUAN: Michelle.

DR. LI: Not Michelle.

DR. GONGHUAN: Actually, Michelle is the U.N.

MS. ENGLAND: U.N., yes, from the U.N.

DR. LI: And China's soon-to-be first lady, you already see the picture. That's actually I want to applaud that very important appearance. I think that potentially

can have a very strong impact, certainly that her appearance is not just representing herself, although, she one of the most popular ladies in China, a great singer, but also her husband will be the head of the state in a matter of weeks. So, I think that will be a turning point.

Now, we talk about the leaders should use the right policy to get popular. No, this is a clear case; you will become popular, right? So, I hope that the new leadership will take that position, that take opportunity.

MS. ENGLAND: Okay, thank you.

Can we have a mike over here, please? Yes?

MS. RODMATO: Yes, thank you. I'm Munsu Rodmato from the World Bank.

If I understood you correctly, to our last presenter -- by the way, thank you very much for the great presentations, the three of you.

Mr. Yang, you said despite the effort and it's clear the effort and the capacity that exists in China to analyze and to make available all evidence necessary for a real -- you would think to put together a coherent political proposal, despite all that effort, this hasn't happened, all that effort is not yet sufficient and the proposal that we have is not yet coherent. What's missing from that proposal in your view?

DR. GONGHAUN: That, I think, Professor Li would be in a better position to answer that question, what is missing from that proposal? I do think there is the room for compromise between the two sides, but, again, we're (inaudible) this matter of day and night, one side is pushing for tobacco control, reducing production, reducing consumption, the other side seems to be pushing, promoting the profit production, and,

actually, they have a strategy that Professor Huang also explained, it's called a lowering tar level and reducing harm. Well, this is totally against the objective of the tobacco control.

While on the surface there seems to be no room for compromise, I do think it's necessary for them for the purpose of Chinese tobacco control, both sides sit down and negotiate and find a compromise. And what is missing in Chinese tobacco industry, which I found very interesting, is that they still haven't seen any tobacco manufacturers trying to squeeze the share of the tobacco production eventually into other fields such as dairy industry, drinkers, other industries, which is happening in India, where the largest tobacco production firm actually is moving toward other industries and I haven't seen that happening in China.

Maybe Professor Huang could maybe have anything to add to this.
What's the missing link here?

DR. HUANG: I think that's for the tobacco control in China in this stage, always an issue, most of the issue is just (inaudible) maybe I think it's in the future where maybe we can link other strategies (inaudible) corruption. It's the first topic in China.

Of course, just like Professor Yang said, it's the main officer, it's the (inaudible) officer, it's like to the (inaudible) cigarette, but it's other side is the corruption is very serious. So, other government is pay more attention to the stop use of the (inaudible) cigarettes.

So, I think so we have other research said it's for the tobacco industry. This is the revenue. Maybe 50 percent is just for the other government (inaudible) because uses (inaudible) cigarettes. So, before, as we said, for the medical fee, but

(inaudible) is for the (inaudible) link against the corruption.

And, so, it's in China. I think tobacco control should be linked to the different areas for the medical reform and the link to the monopoly industry reform and the link, the other issue. So, I think it's tobacco control, then it's in the future, maybe it's progress.

DR. LI: We only know the tip of the iceberg in terms of corruption for tobacco industry. We know the shared mistress, the Li Wei case, but Li Wei started with the tobacco industry.

But most of the corruption is actually related with some other areas, not the tobacco per se. In that area, there still needs more work to reveal how that powerful monopolized industry linked to the corruption issues. I think it's fundamentally important and also that some of the cigarettes are extremely expensive. It's ridiculously expensive in China, but are used as gifts, but these are only small things, tiny things. We do not know much, the nature, but whenever you see the monopoly, you see power; you see the state industry proximity. There will be a corruption. So, in that area, we need to do further investigation.

MS. ENGLAND: Yes, just a comment on that, under the Framework Convention on Tobacco Control, Article V, the tobacco industry should not be able to influence tobacco control policies. So, you could interpret that, what is clearly happening with the STMA, even though the delegations to the conference of the parties is a form of corruption you could say.

DR. LI: Yes. Yes.

MS. ENGLAND: Yes, I think we had a hand over here and let's have you

next. First this woman.

MS. SCHNEIDER: Hi, I'm Judy Schneider from the National Cancer Institute.

I just was wondering whether there had been any lawsuits brought against tobacco companies within China, and if so, could you summarize them and their effect in this area?

MS. ENGLAND: Who would like to that one?

DR. LI: Huang.

DR. HUANG: I think it's normal, this case, but just a very small case for the NGO have for the suits, tobacco industry not really (inaudible) and, so, generally, our courts don't accept cases.

DR. LI: I want to add excellent question. Actually, one of my policy recommendations is to really just like what happened in United States, that the few major tobacco companies, make them really see it's very, very costly. I think we do need to do that in China, as well.

Now, one of the good things about their campaign, they also really target the lawyers and law firms, but so far, still, there's no major case caught attention nationwide. But I think this should be the area that these companies really should be accountable for selling cigarettes to children because it's violating the law, right? So, but there's no case and some of the cases, jobs through negotiations early stage. So, that's an area I think that the campaign or the government should really work on that, particularly our Ministry of Health.

MS. ENGLAND: Yes?

MR. BLECHER: My name is Evan Blecher. I'm from the American Cancer Society.

One of the earlier questions involved asking about the role of the international community in tobacco control efforts in China, but what about China's role in the internationalization on their tobacco industry?

So far, we haven't seen the Chinese State Monopoly engaging in large-scale exportation of cigarettes, and I know they export a lot of leaves, but not so much the large-scale exportation of cigarettes and not the creation of manufacturing facilities, for instance, in other parts of the developing world. And as we see China's geopolitical influence growing and its neighbors in southeast Asia and as far afield as Africa, where there's sort of a race for resources, if we are really successful with tobacco control in China, how do we mitigate the risk of Chinese production just being shipped for African consumption in the same ways you'll note that female smoking is low in China and that's a future risk. Smoking itself is low in Africa, prevalence generally.

Is there a risk if we are too successful? I don't want to use that term, but what do we also have to do in thinking about mitigating the risks of China internationalizing its tobacco industry in the same ways it's internationalizing its manufacturing base in general?

MS. ENGLAND: Do you want to comment?

DR. LI: It's an excellent question, and, certainly, China has exports. The Yuxi, Hongta Group actually had the factories in I think South America, in Africa, in Southeast Asia, but you're right, compared with other industries in the global status, it's a tiny bit. Partly maybe China's own market is huge. Major consumption is also targeting

women in China, and maybe that's one reason.

The second reason is that they face some major competitors in the international front. That could be part of the reason, but I do not know whether you have some other -- relatively speaking, export is still very small.

DR. GONGHUAN: Yes, I think Dr. Li is right. Why it occurred, even in the United States by the Chinese secrets from the Chinatown right, but basically, the Chinese exports, the lack of products, not their major concern here. I think the primary reason, as Dr. Li said, is that if they can just make the big bucks in the domestic market, at this moment, they don't think about actually internationalizing.

This is the same dynamics we found in the Chinese pharmaceutical sector. Actually, even though since the 1990s, the Chinese pharmaceutical firms have been encouraged to go out, go global, so far, we haven't seen much progress in that regard simply because domestic markets are so huge, they couldn't meet their production needs.

DR. HUANG: But I think we assure you that the tobacco (inaudible) cigarettes increase so quickly, but we survey for the prevalence of the smoking in China, it's just almost a key to the balance, not occurs a lot. So, based on the public data, only 3 percent it's cigarettes they export, but we calculate and we think maybe it's the more cigarettes go abroad, and we know the tobacco industry, they have this plan, it's one to go global. So (inaudible) so it's just we suspect maybe it's the more cigarettes (inaudible).

MS. ENGLAND: I think we can take one more question. Who is it going to be? We've had one from the World Bank. I'll give a turn to someone who's not with

the World Bank. All right.

MS. URITSKY: Hi, my name is Alana Uritsky. I teach at George Washington University.

I have a question for you, Dr. Yang. I think it's really interesting that you have pointed out the congruencies between the government's response to HIV-AIDS and the sort of lack of response to smoking, and if we look at HIV -AIDS as maybe the smallest public health problem, have the largest political commitment in China, the prevalence of HIV is very small versus smoking, it's maybe one of the largest public health problems and has the smallest government commitment.

Where this commitment on HIV comes from, I think we could argue that it came from sort of global influence, right, that we look at global health priorities and there's this trend of AIDS exceptionalism, right? So, we could attribute it to maybe AIDS exceptionalism, maybe the fact that the international community looked at the HIV epidemic in China when it was first exploding on the front pages of our media as a human rights problem and it saw a need to really pressure the Chinese government.

So, I'm wondering where could that potential international pressure for a response to tobacco control come from on China?

DR. GONGHUAN: Well, this is an excellent question, indeed. Actually, if you look at the Chinese HIV-AIDS prevention and control, it is, again, a combination of the three (inaudible) politics, proposed policy proposals and the problem identification.

International society played a crucial role in helping China recognize there is, indeed, a problem. Actually, they also helped make the proposed policy solution available to the Chinese leaders and the political environment was receptive because at

that time -- well, Dr. Li actually knows better than I on this, the force generating leader was about to take over that, 2002, 2003. They had actually the new leaders wanted to strike a new theme, a theme different from their predecessors, and then all these themes actually coupled in 2002, 2003 with the SARS outbreak. So, you have to have a policy window open for that crucial change. And, so, in this case of tobacco control, I think we need to wait for the next policy window to open.

We already actually in China I think already missed two policy windows. The first is the 2003 SARS; the second is the 2011, last year, the U.N. special meeting on NCDs, the Non-Communicable Diseases, because the tobacco-related death actually accounted for a huge percentage of NCD death. That could be coupled actually to push for stricter enforcement of the FCTC, but that didn't happen.

In fact, at that time, I was asked by the *People's Daily* to write something on this issue of NCD. I wrote something. Actually, I was not good at writing in Chinese, but, anyway, I wrote it.

Anyway, but they didn't come out asking why. Well, the answers, this topic is not big enough. I said come on; we're talking about NCD contributing to 85 percent of the mortality in China. You think that topic is not big enough? Well, that policy window is quickly. I think is going to be closed quickly. And, so, now we have to wait for the third policy window to open. That probably will happen after the 18th Party Congress actually --

MR. POLLACK: Two weeks.

DR. GONGHUAN: Next month.

MS. ENGLAND: Yes, anything to add?

MR. POLLACK: No.

MS. ENGLAND: No.

Well, please join me in thanking our panelists. Thank you for coming today. Thank you. (Applause)

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