

05.17-Economic reforms

Economic reforms

Walking the talk

Can China's leaders **revive** the economy and reform it **at the same time**?
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Vocab

1. Walking the talk 言行一致

2. **revive** v. (使)复苏;(使)复兴;(使)恢复;(使)再次流行 When something such as the economy, a business, a trend, or a feeling **is revived** or when it **revives**, it becomes active, popular, or successful again.

e.g. His trial **revived** memories of French suffering during the war...他的受审重新勾起了在战争中受苦受难的法国人民的回忆。

3. **at the same time** 同时

EVERY economy, like every story, has two sides: supply and demand. The supply side of China's economy is the stuff of legend: 767m workers, perhaps \$20 trillion-worth of **machinery**, buildings and other kinds of capital, combined with rapidly advancing techniques and technologies, many of them **assimilated** from abroad. This **combination** of labour, capital and know-how **dictates** how much the economy can produce. But whether it actually does produce all it can depends on the other side of the economy—the demand side—which reflects the spending decisions of consumers and investors. The supply side sets the **scene**; the demand side provides the **drama**.

Vocab

1. **machinery** n. machines as a group, especially large ones (统称) 机器; (尤指) 大型机器

e.g. **agricultural/ industrial machinery** 农业/工业机械

2. **assimilate** v. to fully understand an idea or some information so that you are able to use it yourself 透彻理解; 消化; 吸收

e.g. The committee will need time to assimilate this report. 委员会需要时间来吃透这个报告。

3. **combination** n. the act of joining or mixing together two or more things to form a single unit 结合; 联合; 混合

e.g. The firm is working on a new product **in combination with** several overseas partners. 这家公司与几家海外合伙人在联合开发新产品。

4. **dictate** v. ~ (sth) (to sb) to say words for sb else to write down 口述

e.g. He dictated a letter to his secretary. 他向秘书口授信稿。

5. **scene** n. the place where sth happens, especially sth unpleasant (尤指不愉快事件发生的) 地点, 现场

e.g. the **scene of the accident/ attack/ crime** 事故/袭击/犯罪的现场

6. **drama** n. a play for the theatre, television or radio 戏; 剧

e.g. a **costume/ historical, etc. drama** 古装、历史等剧

Sadly, demand is recovering more slowly than expected. Figures released this week showed somewhat disappointing growth in fixed-asset investment and industrial production last month, following a similarly underwhelming first quarter. Economists who were expecting growth of 8-8.5% this year are now projecting something closer to 7.5%.

Vocab

1. **somewhat** adv. 有点儿；有些；有几分 You use **somewhat** to indicate that something is the case to a limited extent or degree.

e.g. He concluded that Oswald was **somewhat** abnormal...他断定奥斯瓦尔德有点不正常。

2. **fixed-asset** n. 固定资产 **Fixed assets** are assets which a company uses on a continuous basis, such as property and machinery.

e.g. Investment in **fixed assets** is an important vehicle for ensuring that the latest technology is available to business.固定资产投资是确保企业获得最新技术的重要手段。

3. **industrial** adj. connected with industry 工业的；产业的

e.g. They had made **industrial quantities** of food (= a lot). 他们生产了大量的食品。

Sentence

Figures released this week showed somewhat disappointing growth in fixed-asset investment and industrial production last month, following a similarly underwhelming first quarter.

主干: Figures released this week (that) 从句 省略了 that 或者 which

following a similarly... 现在分词引导的短语

But as the drama darkens, the scene may also be shifting. A meeting of the **State Council**, China's **cabinet**, on May 6th outlined a long list of **structural** reforms designed to improve the supply side of the economy. Some of the reforms, such as **extending** the value-added tax to services, are already under way. Others, such as **liberalising** capital flows, will reach **fruition** only gradually. The reforms are also in keeping with **pronouncements** by former leaders like Wen Jiabao, who liked to talk the reform-talk. But the new **agenda** "goes far beyond Wen-era **platitudes** in its **boldness** and specificity," argues Andrew Batson of GaveKal Dragonomics, a **consultancy** in Beijing. The "walk-to-talk" ratio is improving, he believes.

Vocab

1. **State Council** 国务院

2. **cabinet** n. 内阁 The **Cabinet** is a group of the most senior ministers in a government, who meet regularly to discuss policies.

e.g. The announcement came after a three-hour Cabinet meeting in Downing Street.在唐宁街进行了长达3个小时的内阁会议后发布了这份公告。

3. **structural** adj. connected with the way in which sth is built or organized 结构 (或构造) 上的

e.g. Storms have caused structural damage to hundreds of homes. 几场暴风雨毁了成百上千所住宅，连结构都破坏了。

4. **extend** v. to make sth longer or larger 使伸长；扩大；扩展

e.g. to extend a fence/ road/ house 扩建护栏/公路/房子

5. **liberalize** v. to make sth such as a law or a political or religious system less strict 使自由化；放宽对...的限制

e.g. ...authoritarian states that have only now begun to liberalise.才刚刚开始实行自由化的独裁

国家

6. **fruition** n. the successful result of a plan, a process or an activity (计划、过程或活动的) 完成, 实现, 取得成果

e.g. After months of hard work, our plans finally **came to fruition**. 经过几个月的艰苦工作, 我们的计划终于完成了。

7. **pronouncement** n. 声明; 公告 **Pronouncements** are public or official statements on an important subject.

e.g. ...the President's latest **pronouncements** about the protection of minorities. 总统最近发布的保护少数民族的声明

8. **agenda** n. a list of items to be discussed at a meeting (会议的) 议程表, 议事日程

e.g. For the government, education is now **at the top of the agenda** (= most important). 对政府来说, 现在教育是当务之急。

9. **platitude** n. a comment or statement that has been made very often before and is therefore not interesting 陈词滥调; 老生常谈

10. **boldness** n. 大胆; 冒失; 显著

11. **consultancy** n. a company that gives expert advice on a particular subject to other companies or organizations 咨询公司

e.g. a management/ design/ computer, etc. **consultancy** 管理、设计、计算机等咨询公司

The reform-walk would help sustain the growth of **productive capacity**, improving the **allocation** of both capital and labour. Cutting **red tape** and other **regulatory** barriers to entry would help private firms invest in industries now dominated by **state-owned enterprises**. By strengthening land rights and reforming the hukou (household registration) system, workers would also find it easier to leave the land and settle in the cities. The reforms could, therefore, have a big effect on the supply side of the economy.

Vocab

1. **productive** adj. making goods or growing crops, especially in large quantities 生产的; (尤指) 多产的

e.g. **highly productive** farming land 高产农田

2. **capacity** n. the number of things or people that a container or space can hold 容量; 容积; 容纳能力

e.g. The hall was filled **to capacity** (= was completely full). 大厅内座无虚席。

3. **allocation** n. an amount of money, space, etc. that is given to sb for a particular purpose 划拨的款项; 拨给的场地; 分配的东西

e.g. The aid **allocation** for Pakistan was still under review... 拨给巴基斯坦的援助物资仍在审核当中。

4. **red tape** n. 繁文缛节; 官僚作风 You refer to official rules and procedures as **red tape** when they seem unnecessary and cause delay.

e.g. The little money that was available was tied up in bureaucratic **red tape**. 能用的那点儿小钱被繁文缛节拖得遥遥无期。

5. **regulatory** adj. having the power to control an area of business or industry and make sure that it is operating fairly (对工商业) 具有监管权的, 监管的

e.g. **regulatory bodies/ authorities/ agencies** 监管部门/机构

6. **state-owned** adj. 国有的; 国营的; 州立的

7. **enterprise** n. a company or business 公司; 企业单位; 事业单位

e.g. state-owned / public enterprises 国有企业；公共事业单位

But that is not all. The reforms might also have **side-effects** on consumption and investment. Even **supply-side** reforms can have **demand-side** consequences. Some tend to boost spending, others **depress** it. Helen Qiao of Morgan Stanley worries that some of the measures **outlined** on May 6th will slow demand at a time when the economy is already weak (see chart).

Vocab

1. **side effect** n. an unexpected result of a situation or course of action that happens as well as the result you were aiming for 意外的连带后果

2. **supply-side** n. (*economics* 经) connected with the policy of reducing taxes in order to encourage economic growth 供应学派的 (主张减税以刺激经济)

3. **demand-side** n. 需方

4. **depress** n. to make sb sad and without enthusiasm or hope 使抑郁；使沮丧；使消沉；使失去信心

e.g. **It depresses me to** see so many young girls smoking. 看到这么多女孩抽烟令我感到很沮丧。

5. **outline** v. ~ **sth (to sb)** to give a description of the main facts or points involved in sth 概述；略述

e.g. We **outlined** our proposals to the committee. 我们向委员会提纲挈领地讲了讲我们的提案。

Sentence

But that is not all. 而这不是全部。that 指代上文的 the reforms
not all 全部

One example is higher **utility** prices. They may be necessary to **conserve** water, electricity and gas, but they will also discourage spending. The same is true of higher taxes on natural resources, such as coal.

Vocab

1. **utility** n. a service provided for the public, for example an electricity, water or gas supply 公用事业

e.g. **Utility prices**, including water, electricity and gas, rose by 5.6 per cent. 包括水、电、煤气在内的公用事业价格上涨5.6%。

2. **conserve** v. to use as little of sth as possible so that it lasts a long time 节省；节约

e.g. Help to conserve energy by insulating your home. 对房屋做隔热处理来帮助节约能源。

Efforts to get a **grip** on local-government finances are a **trickier** case. Provinces have borrowed **indirectly** (and excessively) through financing vehicles. The central government now wants **localities** to borrow more directly by issuing their own bonds. Lou Jiwei, the new finance minister, has talked of closing the back door and opening the front door. Whether that helps or hurts demand depends on timing. If the government opens the front door before closing the back, it will encourage extra borrowing, boosting demand, says Ms Qiao. If it closes the back before opening the front, the opposite will happen.

Vocab

1. **grip** n. ~ (on sb/ sth) an act of holding sb/ sth tightly; a particular way of doing this 紧握；紧抓

e.g. to **loosen/ release/ relax your grip** 松手

2. **tricky** adj. difficult to do or deal with 难办的；难对付的

e.g. Getting it to fit exactly is a **tricky business**. 使这完全合适是件很难做到的事。

3. **indirectly** adv. 间接地；不诚实；迂回地

4. **locality** n. the area that surrounds the place you are in or are talking about (围绕所处或提及的) 地区

e.g. There is no airport **in the locality**. 这个地区没有飞机场。

Sentence

If the government opens the front door before closing the back, it will encourage extra borrowing, boosting demand, says Ms Qiao.

主干: **says Ms Qiao** 倒装

从句主干: it will encourage extra borrowing, 如果 the government opens boosting demand 可以看成 which will boost demand 的省略形式

A similar **ambiguity** surrounds **capital flows**. China's capital account is not entirely closed. Foreign direct investment is welcome. Short-term financial investment is also permitted, within limits, by "**qualified**" investors. And even many unqualified investors succeed in moving money in and out (although not without delay, **subterfuge** and **inconvenience**). Moreover, even if the government does liberalise flows, it is unlikely to leave the capital account entirely open. It will probably replace **bureaucratic impediments** to capital **mobility** with price-based **deterrents**, such as taxes on foreign holdings. The net effect on the exchange rate, the cost of capital and, therefore, demand, might be **modest**.

Vocab

1. **ambiguity** n. the state of being difficult to understand or explain because of involving many different aspects 模棱两可；不明确

e.g. You must understand the ambiguity of my position. 你必须理解我处的位置不明确。

2. **capital flows** 资本流动

3. **qualified** adj. ~ (to do sth) having the practical knowledge or skills to do sth 具备...的知识 (或技能)；符合资格

e.g. I don't know much about it, so I don't feel qualified to comment. 关于此事我所知不多，所以觉得没资格评论。

4. **subterfuge** n. 诡计；手段；伎俩；花招 **Subterfuge** is a trick or a dishonest way of getting what you want.

e.g. The party has predictably rejected the proposals as a **subterfuge**. 不出所料，该党以这些提议是在耍花招为由而加以拒绝。

5. **bureaucratic** adj. 官僚式的；官僚主义的 **Bureaucratic** means involving complicated rules and procedures which can cause long delays.

e.g. The department has become a **bureaucratic nightmare**. 该部门的官僚作风非常严重。

6. **impediment** n. 妨碍；阻碍；障碍物 Something that is an **impediment to** a person or thing makes their movement, development, or progress difficult.

e.g. He was satisfied there was no legal **impediment to the marriage**. 这一婚姻没有任何司法上的障碍，他对此很满意。

7. **mobility** n. the ability to move easily from one place, social class, or job to another (住

处、社会阶层、职业方面的) 流动能力

e.g. **social/ geographical/ career mobility** 社会地位/区域/职业流动性

8. **deterrent** n. 威慑力量;威慑因素;遏制物 A **deterrent** is something that prevents people from doing something by making them afraid of what will happen to them if they do it.

e.g. The tough new law should act as a **deterrent**. 这项严厉的新法将起到威慑作用。

9. **modest** adj. (数量、比率或改进程度)不太高的, 适度的, 适中的 You use **modest** to describe something such as an amount, rate, or improvement which is fairly small.

e.g. Swiss unemployment rose to the still **modest** rate of 0.7%... 瑞士的失业率上升到了0.7%, 这个百分比仍然不算太高。

Liberalising the **exchange rate** and the **interest rate** are both necessary reforms. But they would depress demand, Ms Qiao argues. China now imposes a **ceiling** on the interest rate paid to **depositors**. Removing it would raise banks' funding costs. If banks raised their loan rates in response, it would discourage **borrowing**. If they did not, it would hurt their margins and discourage lending. Either way, demand would be affected.

Vocab

1. **exchange rate** n. (外汇) 汇率, 兑换率 The **exchange rate** of a country's unit of currency is the amount of another country's currency that you get in exchange for it.

2. **interest rate** n. 利(息)率 The **interest rate** is the amount of interest that must be paid. It is expressed as a percentage of the amount that is borrowed or gained as profit.

e.g. The Finance Minister has renewed his call for lower **interest rates**. 财政部长再次呼吁降低利率。

3. **ceiling** n. the highest limit or amount of sth 最高限度; 上限; 最大限量

e.g. price ceilings 最高价

4. **depositor** n. (银行的)储户, 存款人 A bank's **depositors** are the people who have accounts with that bank.

5. **borrowing** n. the money that a company, an organization or a person borrows; the act of borrowing money 借款; 贷款; 借贷

e.g. High interest rates help to keep borrowing down. 高利率有助于控制借贷。

What about the exchange rate? China has attracted a strong **inflow** of capital in recent months, some of it **disguised** as export earnings. This has pushed up the yuan, which has risen by 1.4% against the dollar and by 20% against the yen so far this year. **Speculators** again see the yuan as a **one-way** bet. If the exchange rate were liberalised, they would push it up further, hurting exports and depressing demand.

Vocab

1. **inflow** n. 流入; 涌入 If there is an **inflow of** money or people into a place, a large amount of money or people move into a place.

e.g. The Swiss wanted to discourage an **inflow** of foreign money. 瑞士人想要阻止外资流入。

2. **disguise** v. ~ sb (as sb/ sth) to change your appearance so that people cannot recognize you 假扮; 装扮; 伪装

e.g. She **disguised herself as** a boy. 她女扮男装。

3. **speculator** n. 投机者; 投机商 A **speculator** is a person who speculates financially.

4. **one-way** n. operating in only one direction 单方面的; 单向进行的

e.g. They observed the prisoners through a **one-way mirror** (= a mirror that allows a person standing behind it to see through it).他们透过单向镜子监视犯人。

Sentence

If the exchange rate were liberalised, they would push it up further, hurting exports and depressing demand.

如果汇率自由化，他们会把它进一步推高，伤害出口和抑制需求。

这里 they would push it up further 的 they 指代 Speculators, it 指代的是 the exchange rate

Fortunately, many of the reforms outlined this month will both improve supply and boost demand. In replacing a **crude turnover tax** on services with a value-added tax, the government has sought to lighten the **fiscal** burden on services. Cutting **red tape** should also boost investment. And allowing rural folk both to sell their land and use public services in the cities would help them spend more **freely** as urban consumers.

Vocab

1. **crude** adj. simple and not very accurate but giving a general idea of sth 粗略的；简略的；大概的

e.g. **In crude terms**, the causes of mental illness seem to be of three main kinds.简略地说，导致精神病的原因看起来主要有三种。

2. **turnover** n. ~ (of sth) the total amount of goods or services sold by a company during a particular period of time (一定时期内的) 营业额，成交量

e.g. an annual turnover of \$75 million * 7 500 万元的年营业额

3. **fiscal** adj. connected with government or public money, especially taxes 财政的；国库的；国家岁入的

e.g. **fiscal policies / reforms** 财政政策/改革

4. **red tape** n. 繁文缛节;官僚作风 You refer to official rules and procedures as **red tape** when they seem unnecessary and cause delay.

e.g. **The little money that was available was tied up in bureaucratic red tape.** 能用的那点儿小钱被繁文缛节拖得遥遥无期。

5. **freely** adv. without anyone trying to prevent or control sth 不受限制地；无拘无束地；自由地

e.g. the country's first freely elected president 该国第一次自由选举出的总统

When the taps were turned on

Just as structural reforms have **implications for** demand, **the converse is also true**: efforts to boost demand can affect the course of structural reform. China's 2009 **stimulus** lending was successful in reviving demand. But it also had some damaging structural side-effects. It further **skewed** the economy in favour of investment, especially property construction; it made a mess of local-government finances; and it forced China's banks to serve government ends, thus delaying their **evolution** into commercial **lenders**.

Vocab

1. **implication** n. ~ (for/ of sth) a possible effect or result of an action or a decision 可能的影响 (或作用、结果)

e.g. The development of the site will **have implications for** the surrounding countryside.这个地点的开发将会影响周围的乡村。

2. the converse is also true 反之亦然

3. stimulus n. [usually sing.] something that helps sb/ sth to develop better or more quickly 促进因素；激励因素；刺激物

e.g. Books provide children with ideas and a stimulus for play. 书不仅给孩子们以思想，而且使他们玩得更有意思。

4. skewed adj. ~ (towards sb/ sth) directed towards a particular group, place, etc. in a way that may not be accurate or fair 偏向（或偏重）...的

e.g. The book is heavily skewed towards American readers. 这本书严重倾向于美国读者。

5. evolution n. 演变；演化；演进；发展 Evolution is a process of gradual development in a particular situation or thing over a period of time.

e.g. His long life comprised a series of evolutions. 他漫长的一生包括一系列的发展变化。

6. lender n. 放款人；贷款机构 A lender is a person or an institution that lends money to people.

e.g. ...the six leading mortgage lenders. 6大按揭贷款机构

The stimulus had one other damaging side-effect—on China's economic philosophy. Many analysts now seem to believe that all stimulus measures delay reform, if only because they ease economic pain without which policymakers will not act.

Vocab

1. philosophy n. 哲学思想；哲学体系；哲学理论 A philosophy is a particular set of ideas that a philosopher has.

e.g. ...the philosophies of Socrates, Plato, and Aristotle. 苏格拉底、柏拉图和亚里士多德的哲学思想

2. policymaker n. (政治) 政策制定者，决策人 In politics, policymakers are people who are involved in making policies and policy decisions.

e.g. ...top economic policymakers. 最高经济政策制定者

That is a mistake. Stimulus does not need to be at odds with reform. Cutting taxes or increasing social spending would both stimulate the economy and help rebalance it towards consumption and services. Likewise, many structural reforms, such as removing barriers to entry in industries now dominated by state-owned enterprises, would also simultaneously help to boost spending. The Chinese economy clearly needs reform and may soon need revival. There is no reason why the leadership cannot do both.

Vocab

1. be at odds **IDM** be at 'odds (with sth) to be different from sth, when the two things should be the same (与...) 有差异，相矛盾

e.g. These findings are at odds with what is going on in the rest of the country. 这些研究结果与国内其他地区的实际情况并不相符。

2. likewise adv. the same; in a similar way 同样地；类似地

e.g. He voted for the change and he expected his colleagues to do likewise. 他投票赞成变革并期望他的同事投同样的票。

3. simultaneously adv. 同时地

4. revival n. [U, C] an improvement in the condition or strength of sth (状况或力量的) 进步，振兴，复苏

e.g. a revival of interest in folk music 对民间音乐的兴趣的恢复

Sentence

There is no reason why the leadership cannot do both.

这里双重否定，no reason + cannot，原翻译可以理解为：没有原因表明中国领导人不一起做这两件事。翻译成：中国领导人完全能把两者都做到

From the print edition: China

Economic reforms Walking the talk 经济改革：言出必行

Can China's leaders revive the economy and reform it at the same time?

中国领导人能在重振经济的同时进行改革吗？

EVERY economy, like every story, has two sides: supply and demand. The supply side of China's economy is the stuff of legend: 767m workers, perhaps \$20 trillion-worth of machinery, buildings and other kinds of capital, combined with rapidly advancing techniques and technologies, many of them assimilated from abroad. This combination of labour, capital and know-how dictates how much the economy can produce. But whether it actually does produce all it can depends on the other side of the economy—the demand side—which reflects the spending decisions of consumers and investors. The supply side sets the scene; the demand side provides the drama.

每个经济体，就像每个故事，都有两面性：供给与需求。中国经济的供给方堪为传奇：7.67亿工人，价值约20万亿美元的机械、建筑等等类型的资本，还有迅速进步的工艺和技术（大多是从国外吸收而来）。这一劳动力、资本和专门知识的综合体决定了中国经济的产量。但究竟是否开足了马力生产，那就要看该经济体的另一面——需求方，它反映了消费者和投资者的支出决策。这就是供方搭台，需方唱戏。

Sadly, demand is recovering more slowly than expected. Figures released this week showed somewhat disappointing growth in fixed-asset investment and industrial production last month, following a similarly underwhelming first quarter. Economists who were expecting growth of 8-8.5% this year are now projecting something closer to 7.5%.

只可惜，需方恢复的速度要缓于预期。本周发布的数据显示，上个月固定资产投资和工业生产增长都有些令人失望，第一季度的表现同样平淡无奇。有些经济学家曾期待今年的经济增速能达到8-8.5%，如今却预测将近7.5%。

But as the drama darkens, the scene may also be shifting. A meeting of the State Council, China's cabinet, on May 6th outlined a long list of structural reforms designed to improve the supply side of the economy. Some of the reforms, such as extending the value-added tax to services, are already under way. Others, such as liberalising capital flows, will reach fruition only gradually. The reforms are also in keeping with pronouncements by former leaders like Wen Jiabao, who liked to talk the reform-talk. But the new agenda “goes far beyond Wen-era platitudes in its boldness and specificity,” argues Andrew Batson of GaveKal Dragonomics, a consultancy in Beijing. The “walk-to-talk” ratio is improving, he believes.

但是，随着剧情走向阴郁，布景可能也在变化。中国的内阁机构——国务院，于5月6日召开

的会议上确定了一系列旨在改善供方结构的改革措施。有些措施已经开始实施，例如扩大服务业增值税范围等。其他措施，例如开放资本流动，只能逐渐才见成效。改革也与前任领导人的论调一致，比如喜欢谈论改革的温家宝。不过来自北京的一家咨询公司龙洲经讯的安德鲁·巴特森辩称，新工作议程的“大胆程度和具体程度都远远超越了温时代的陈词滥调”。他认为，行动在口号中的占比正在提升。

The reform-walk would help sustain the growth of productive capacity, improving the allocation of both capital and labour. Cutting red tape and other regulatory barriers to entry would help private firms invest in industries now dominated by state-owned enterprises. By strengthening land rights and reforming the hukou (household registration) system, workers would also find it easier to leave the land and settle in the cities. The reforms could, therefore, have a big effect on the supply side of the economy.

改革行动有助于支撑生产力的增长，改善资本和劳动力的分配。减少繁文缛节和其他监管性准入壁垒，也有助于私营企业对目前由国有企业主导的行业进行投资。通过加强土地权、改革户口制度，农民工也更容易离开土地，在城里定居。因此，改革对经济的供方可能产生巨大影响。

But that is not all. The reforms might also have side-effects on consumption and investment. Even supply-side reforms can have demand-side consequences. Some tend to boost spending, others depress it. Helen Qiao of Morgan Stanley worries that some of the measures outlined on May 6th will slow demand at a time when the economy is already weak.

而这并非改革的全部。改革可能也会对消费和投资产生副作用。即便是供方改革也会对需方造成影响。有些可能会促进消费，但也有的会产生抑制作用。摩根士丹利的乔海伦担心，5月6日制定的某些措施可能会给已经疲软的经济雪上加霜，进一步放缓需求。

One example is higher utility prices. They may be necessary to conserve water, electricity and gas, but they will also discourage spending. The same is true of higher taxes on natural resources, such as coal.

一个例子就是水电气费更高了，这对于节水、节电、节气可能有必要，但也会阻碍消费。自然资源税，例如对煤征税的提高也是一个道理。

Efforts to get a grip on local-government finances are a trickier case. Provinces have borrowed indirectly (and excessively) through financing vehicles. The central government now wants localities to borrow more directly by issuing their own bonds. Lou Jiwei, the new finance minister, has talked of closing the back door and opening the front door. Whether that helps or hurts demand depends on timing. If the government opens the front door before closing the back, it will encourage extra borrowing, boosting demand, says Ms Qiao. If it closes the back before opening the front, the opposite will happen.

地方政府财政更是难管。各省通过各种融资工具间接（大肆）借贷。如今，中央政府希望地方政府通过自己发行债券，更直接地进行借贷。新上任的财政部部长楼继伟已经谈到了“关后门，开前门”的做法。这种做法是否有利于需求，还得看时机。乔女士称，如果政府还没关上后门就开前门，那就会鼓励额外借贷，刺激需求。如果还没开前门就关了后门，情况就正好相反。

A similar ambiguity surrounds capital flows. China's capital account is not entirely closed.

Foreign direct investment is welcome. Short-term financial investment is also permitted, within limits, by “qualified” investors. And even many unqualified investors succeed in moving money in and out (although not without delay, subterfuge and inconvenience). Moreover, even if the government does liberalise flows, it is unlikely to leave the capital account entirely open. It will probably replace bureaucratic impediments to capital mobility with price-based deterrents, such as taxes on foreign holdings. The net effect on the exchange rate, the cost of capital and, therefore, demand, might be modest.

类似的含混状况也围绕着资本流动。中国的资本账户并未完全封闭，外国直接投资颇受欢迎。在一定限度内，“合格”投资者的短期财政投资也是允许的，就连许多不合格的投资者还是成功地将资本倒进倒出（尽管也不乏延误、托词和不便）。此外，即便中国政府想开放资本流动，也不太可能完全开放资本账户。政府可能会用基于价格的阻碍手段（例如对外国股份征税）来取代官僚主义对资本流动产生的障碍，对汇率、资本成本、进而对需求的净效应可能比较微弱。

Liberalising the exchange rate and the interest rate are both necessary reforms. But they would depress demand, Ms Qiao argues. China now imposes a ceiling on the interest rate paid to depositors. Removing it would raise banks' funding costs. If banks raised their loan rates in response, it would discourage borrowing. If they did not, it would hurt their margins and discourage lending. Either way, demand would be affected.

开放汇率和利率都是必要的改革。但是乔女士称，这些措施会抑制需求。中国对付给储蓄者的利率有上限规定。取消该上限可能会提高银行的集资成本。如果银行以提高贷款利率作为回应，则会抑制借款。如果银行不这么做，那他们的利润率就会受到影响，进而抑制贷款。不论如何，需求都会受到影响。

What about the exchange rate? China has attracted a strong inflow of capital in recent months, some of it disguised as export earnings. This has pushed up the yuan, which has risen by 1.4% against the dollar and by 20% against the yen so far this year. Speculators again see the yuan as a one-way bet. If the exchange rate were liberalised, they would push it up further, hurting exports and depressing demand.

汇率情况又如何？最近几个月，中国吸引了大量资本流入，有些伪装成出口收入。这就推高了人民币价值，今年以来，人民币兑美元升值了1.4%，兑日元升值了20%。投机人士又一次把人民币视为单向投机。如果开放汇率，投机者会进一步推高人民币，损害出口，抑制需求。

Fortunately, many of the reforms outlined this month will both improve supply and boost demand. In replacing a crude turnover tax on services with a value-added tax, the government has sought to lighten the fiscal burden on services. Cutting red tape should also boost investment. And allowing rural folk both to sell their land and use public services in the cities would help them spend more freely as urban consumers.

幸运的是，本月制定的许多改革措施既能改善供给，也能刺激需求。通过用增值税替代原始的服务营业税，政府力图减轻服务业的财政负担；减少繁文缛节也也能促进投资；允许农村人口卖出土地，并使用城市里的公共服务，将有助于他们像城镇消费者一样更自由地消费。

Just as structural reforms have implications for demand, the converse is also true: efforts to boost demand can affect the course of structural reform. China's 2009 stimulus lending was successful in reviving demand. But it also had some damaging structural side-effects. It further skewed the economy in favour of investment, especially property construction; it

made a mess of local-government finances; and it forced China's banks to serve government ends, thus delaying their evolution into commercial lenders.

正如结构性改革会对需求产生影响，反之亦然：刺激需求会影响结构性改革的进程。中国2009年的刺激贷款在振兴需求方面颇为成功。但是它也有一些破坏性的结构性副作用：它进一步将经济向有利于投资的方向倾斜，尤其是房产建设；使地方政府的财务一团糟；也强迫中国银行满足政府的目的，因而延迟了银行向商业放款人的转变。

The stimulus had one other damaging side-effect—on China's economic philosophy. Many analysts now seem to believe that all stimulus measures delay reform, if only because they ease economic pain without which policymakers will not act.

刺激措施还有一个破坏性的副作用——即中国的经济理念。如今仅仅因为这些措施能够减轻经济之痛，而没有经济之痛政策制定者们就不会行动，许多分析人士就认为，所有刺激措施都会拖改革后腿。

That is a mistake. Stimulus does not need to be at odds with reform. Cutting taxes or increasing social spending would both stimulate the economy and help rebalance it towards consumption and services. Likewise, many structural reforms, such as removing barriers to entry in industries now dominated by state-owned enterprises, would also simultaneously help to boost spending. The Chinese economy clearly needs reform and may soon need revival. There is no reason why the leadership cannot do both.

这是错误的观点。激励措施并不一定与改革相悖。减税或增加社会支出既能刺激经济，也能帮助经济向消费和服务重新调整。同样，许多结构性改革，例如取消现由国企占主导行业的准入壁垒，同样有助于促进消费。中国经济显然需要改革，可能很快还需要复兴。中国的领导人完全能做到一石二鸟。