

Document 18.2: Four excerpts of individual stories from the “new China,” 2005–2006

Story A: “Zang Jianhe”

Zang Jianhe, born in Qingdao, Shandong Province, used to run a snack stall that sold handmade *jiaozi*¹ at the Wanchai Ferry in Hong Kong. In its heyday, customers would queue for more than an hour for a taste of Zang’s *jiaozi*. “A competitive product is a must for any business to start with,” says Zang. Today, Wanchai Ferry *jiaozi* comes frozen in fine packaging at supermarkets and shopping malls in many large cities. Zang sees much growth in the market for frozen *jiaozi* and jokes, “If we are dedicated to the *jiaozi* business, it will prove to be even more profitable than real estate speculation.” In 1996, she invested in a 1,200-square-meter workshop of international standards, putting the stamp of quality on her brand.

One feature of Zang’s success has been her ability to know “when to say ‘no’ and when to say ‘yes’.” After declining several proposals for joint-venture operations, Zang chose the 100-year-old United States-based Pillsbury Group for its rich experience in modern production, management expertise of Harvard elites and for being the first to adopt the Hazard Analysis Critical Control Points (HACCP) model which embodies a systematic approach to food safety. She had considered listing her business on her own but backed off as she did not want to “risk the family business without professional management.” After concluding the joint-venture deal, Zang has set up operations in Shanghai and Guangzhou to include more handmade Chinese dumplings such as *yuanyuanxiao*, made of glutinous “sticky” rice flour stuffed with sweet fillings, and wonton, which, made of meat and vegetables in 2-inch thin square wrappers, means “swallowing clouds” in Chinese.

Through use of modern technology and management, Zang has successfully brought her products on a par with international standards for frozen food. The adoption of the

¹ *Jiaozi* are dumplings filled with meat and vegetables. Very popular in China, they take a long time to prepare.

HACCP model in production guarantees that the *jiaozi* stay fresh and helps preserve the unique taste of the Wanchai Ferry brand.

Source: Tang Yankai. “Quick, Pass Me A Burger! A huge market and a keen ear to the ground keep fast food business tills ringing.” *Beijing Review*, 14 April 2005.

Story B: “Jing Jing”

Jing Jing’s day begins with a click of the mouse. Her job descriptions include geeky buzzwords such as e-commerce, C2C (customer-to-customer) retail and SOHO (Small-Office-Home-Office).

But a clearer explanation is that instead of getting a “proper job” upon graduation, Jing Jing (not her real name) expanded on her erstwhile hobby by starting up her own Internet shop. The 25-year-old Beijinger now earns about RMB 2,500 a month selling clothes and cosmetics. In a good month, she rakes in RMB 8,000 (about US \$1,000).²

The idea came about in 2003 when Jing Jing stumbled upon EachNet, an online shopping website that has recently been bought out by eBay. “I was immediately mesmerized by the product variety and the convenient services,” says Jing Jing, “I had always trusted my taste, so I thought I would give it a try and earn myself some pocket money.”

Jing Jing registered her company, “Metro Cool Fashion” (*Du Shi Ku Liu Xing*), by sending the site a copy of her identity card. Selling clothes in her spare time at Beijing Technology and Business University, she realized she was making more money than she had ever expected. Upon graduation, Jing Jing upgraded her hobby to a fulltime career. “My parents and friends think it’s insane to give up a career as a journalist,” says this mass communications major. “And I know that with a bachelor’s degree, it’s not that hard to

² In purchasing power, RMB 8,000 converts to \$1,700 (a single white-collar worker in a large city earns about RMB 5,000 a month, and that makes him/her part of the emerging middle class in China.)

find a job. The thing is, I prefer a life with more freedom. If I can make a living and at the same time be my own boss, why should I work for a limited salary at someone else's beck and call?"

Jing Jing's choice is an unusual one, but it reveals much about a competitive job market that no longer doles out jobs-for-life to successful [college] graduates. Of the roughly 3.4 million graduates in 2005, only about 73 percent managed to land jobs. A survey of 540 Shanghai university graduates in August revealed that 78 percent had seriously considered starting their own business. But in the end, only 2 percent actually did....

In theory, the Chinese government encourages graduates to start their own business, but in practice, this is easier said than done....

Source: Cao Ye and Wang Jing. "Log in, Shop Out." *China Today*, June 2006.

Story C: "Qiu Suokun"

A single light bulb hangs precariously from the ceiling of Qiu Suokun's small room in Beijing. It illuminates a bed, a table and some chairs that take up most of the 10 square meters. The room has no heating system installed, and is warmed by a small stove, which makes little impression during Beijing's fiercely cold winter.

"We have nothing to entertain us. In the evening, I like having a drink with Qiu, eating some peanuts and playing cards," Zhao Huobing told *Beijing Review*. Zhao arrived in Beijing with Qiu in 2000.

Basic bungalows in the area where Qiu and his crew live are mostly inhabited by migrant workers. Zhao said, "We all rent rooms in the neighborhood, as it's near to the working site and also it's nice to have friends around."

But the houses have few or no modern conveniences. Telephones and TV sets are just wishful thinking for these out-of-towners.

Zhao said he bought a cell phone a while back, but now regrets it as first his family has no phone at home and second it's too expensive to call home.

Migrant workers often cram into a local corner shop to watch TV, but as with everything else in the city, the owner demands kickbacks, according to Zhao.

Zhao explained their income depends on the amount of regular work, and can average 1,000 yuan (\$125) a month. But there are also lean times, he stressed.

The workers seldom do any work at night during Beijing's biting winter, and try to pack as much work into summer days and evenings as possible. Zhao said the benefits at their current job are not bad. "The site offers four meals a day and sometimes a 'feast' is even provided," he said. Meals cost 6 yuan (\$0.75) each, probably their biggest daily expense, Zhao added.

Most workers put in a 9-to-12-hour day. "I prefer to work a bit more instead of taking a break and losing money. With our lifestyle we can usually save 6,000-7,000 yuan (\$750-875) a year to take home," Zhao noted. However with a fraud case having sucked up all their savings, he thought they'd be lucky to have enough money to even buy train tickets home.

Keeping clean is another big problem the migrants face. Zhao said that in summer they use a pool behind the village, but in winter they need to boil water, adding to heating expenses. "Recently there was a new public bath opened in our neighborhood, but they charge migrants more than locals. That is unfair," Zhao complained.

Source: Lu Ling. "A Dull Life." *Beijing Review*, 2 February 2006.

Story D: “Angelina Lei”

Shanghai, Sept. 21 — Every weekday this summer, Rose Lei drove her daughter, Angelina, 5, to a golf complex at the edge of central Shanghai for a two-hour, \$200 individual lesson with a teaching pro from Scotland.

But now that the school year has started, little Angelina will have to cut back on golf, limiting herself to weekend sessions at a local driving range. In addition to her demanding school schedule, she will be attending private classes at FasTracKids, an after-school academy for children as young as 4 that bills itself as a junior M.B.A. program.

Ms. Lei, 35, a former information technology expert and the wife of a prosperous newspaper advertising executive, is part of a new generation of affluent parents here who are planning ways to cement their children’s place in a fast-emerging elite.

A generation ago, when people still dressed in monochromes and acquiring great wealth, never mind flaunting it, was generally illegal, the route to success was to join the right Communist Party youth organization or to attend one of the best universities.

Now the race starts early, with an emphasis not on ideology but on skills and experiences the children will need in the elite life they are expected to lead. In addition to early golf training, which has become wildly popular, affluent parents are enrolling their children in everything from ballet and private music lessons, to classes in horse riding, ice-skating, skiing and even polo....

Source: French, Howard W. “In China, Children of the Rich Learn Class, Minus the Struggle.” *New York Times*, 22 September 2006.