



Published June 2004

CHINA, the new frontier

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"With strength to lift mountains and spirit to take on the world" Xiang Yu

China is a vast region with tremendous diversity in all facets of life: culture, language, climate and terrain. An assignment to any of the large cities will provide the opportunity to experience a vibrant cross-section of Chinese lifestyles.

The People's Republic of China was established on October 1, 1949, with Beijing as its capital city. With well over 1.3 billion citizens, China is the world's most populous country and the third largest country in the world in terms of territory. China is undergoing rapid, intense economic and social change, and development. Political power remains centralized in the Chinese Communist Party.

All visitors to China must have a valid passport and visa to enter China and which must be obtained from Chinese Embassies and Consulates before traveling to China. Travelers should not rely on Chinese host organizations claiming to be able to arrange a visa upon arrival. Most visas are valid for 30 days in China and cannot be extended.

The Culture

About 90 percent of the over one billion citizens of China are Han Chinese. Koreans, Mongols and Thai comprise the vast majority of the other ethnicities. However, recent developments in the creation of a global marketplace in China have brought an increasing number of foreign nationals to Beijing, China's diverse capital.

The Chinese culture is a complex mixture of traditional ideology with modern advancements. China reflects the collective influences of a long history of agrarian economy and a more recent industrial revolution. The Cultural Revolution has also greatly impacted the modern Chinese culture.

Doing Business

Since 1978, when China embarked on its open-door policy, the Chinese market has grown to rival the United States as Hong Kong's biggest export market. About four-fifths of Hong Kong manufacturers have transferred production to the mainland as part of what has been described as the "biggest economic takeoff in world history."

Good relationships are important for business success anywhere, but they are especially important to the Chinese. In the north of China, which has had less contact with Hong Kong and the West, relationships are more crucial than in the south. Many business people have failed to appreciate this social custom and have therefore lacked the patience to succeed in China.

Corporate Culture

Chinese organizations are dominated by a few key decision makers at the top. Often these are prominent figures in the local political scene. Below these, employees are often reluctant to or lack the authority to make decisions. In the past, showing initiative has proved harmful to career prospects.

Traditionally, Chinese women were expected to assume a subordinate role, but since 1949 the Communists have run campaigns pushing for equality. Nowadays, it is not unusual to find women in positions of authority, but few rise to the highest positions in their fields. Only 24 percent of China's 20 million officials are women.

When doing business in China, language is not the only barrier you will encounter. Even if the translation is perfect, there are still many ways for Chinese and Westerners to misunderstand each other. The cultural and conceptual barriers are such that even the simplest remark can be interpreted differently.

Face is a key issue, and it is very important to keep business dealings both courteous and respectful. Complaining and losing one's temper is rarely effective. If the Chinese are made to lose face they may find some oblique way of getting it back. Also, a great deal of importance is placed on *guanxi* (connections). Many Chinese business people make use of this as a way of getting their schemes approved quickly. This basically involves accumulating good will by buying lavish dinners, giving gifts and doing favors. Most foreign companies have clear guidelines about what is and what is not acceptable in this regard, but an assignee can expect to have to finance a few dinners.

Dress

Business dress in China is similar to that of any corporate environment. Business suits are the norm for both men and women. However, it is always wise to match what Chinese counterparts are wearing. If they are dressed casually, one could remove a jacket and tie.

Tipping

China has a strong official policy that forbids the acceptance of tips from foreigners, although this policy is not always followed. An expatriate should be careful, or he/she might severely insult someone by offering a tip. So when in doubt, do not tip. Rely instead on small inexpensive gifts. Although tipping is becoming more common in places frequented by foreigners, small change is usually sufficient. A 15 percent surcharge is normally added to the bill in expatriate and hotel restaurants.

Business Hours

Official business hours for most offices are 9:00 a.m. to 12 noon and 1:00 p.m. to 5:00 p.m.; however, employees in state run offices interpret these loosely. Companies with foreign management have clamped down on the looser attitudes of the past where lunch hours were expanded to fit in everything from shopping to showers. Most offices are empty after 5:00 p.m.

Credit Cards

Credit card use is more widely available than before. Many hotels, restaurants and stores that cater to foreigners provide this service. However, if you will be staying at a small local hotel, eating in local restaurants and shopping in smaller local stores, you will need cash.

Automatic Teller Machines (ATMs)

ATM machines are located on just about every corner in Shanghai and in a growing number of locations in Beijing. Bank of China only accepts cards on the Cirrus system, while Industrial and Commercial Bank of China accepts cards on both Cirrus and Plus systems.

Public Telephones

Public telephones are in abundance on the streets of Beijing and Shanghai. Also, the international hotels have many public telephones with international call services available. In addition, enterprising locals can be found shouting out of their windows with offers to use their telephones. To take them up on their offer usually only costs a small amount.

To try and make calling a bit easier and less cumbersome, many companies have introduced debit calling cards.

Postal Services

There are many post offices located in the major cities, usually on main thoroughfares, railway stations, airports and tourist attractions. There are also sub-branches in the larger hotels. They are identified by a green logo.

Carrier services are offered by FedEx, TNT, DHL and United Parcel Service, but these companies only operate in the major cities. As with most of its other services, the Chinese postal system is currently in the process of upgrading to an automated system, and thus, a visit to a Chinese post office can be more time consuming than expected.

Health Care

It is difficult to gauge the threat of SARS in China at this time. While the lack of knowledge and understanding of the disease has understandably raised everyone's concern, the threat of SARS should not, on its own, affect a decision whether or not to move here. Unless the assignee or a member of the family has a compromised immune system, plans should not be reconsidered.

In general, hygienic conditions in China are not what most foreigners are accustomed to, and it is advisable to practice proper hygiene and maintain a healthy immune system. That being said, China is a relatively healthy place to live, particularly in the cities. The most common ailments that foreign executives will experience are minor, such as stomach upsets and upper respiratory problems. If living in a hotel in Beijing, there will almost certainly be a nurse on the staff or a doctor on call who will make a house call, if necessary. Remember that copies of all documents (visa, permits and health insurance information) and cash on hand to pay for services rendered, should be considered for a doctor/hospital visit.

Health authorities recommend that vaccinations for cholera, diphtheria, hepatitis A and B, Japanese encephalitis, tuberculosis, meningitis, polio, tetanus and typhoid be gotten prior to departure. As some parts of southern China are malarial, an expatriate may want to consider precautions for bite-protection and anti-malarial drugs. In the cities, where the sanitation is relatively good, there is little risk of catching most of these diseases.

In China's large cities the tap water is treated with chlorine; however it is not potable to international standards. Since water must be boiled for 30 minutes to destroy

bacteria, bottled water is the only safe alternative and is readily available. Large hotels and restaurants catering to foreigners use ice made from purified water.

Dining

Chinese diners generally eat earlier than their Western counterparts. Breakfast, an important meal for the Chinese, is taken between 6:00 a.m. and 9:00 a.m. The lunch hour begins between 11:00 a.m. and noon and is typically a brief affair in the company cafeteria. Most restaurants close by 10:00 p.m., with the main dinner crowd appearing between the hours of 5:30 and 7:30 p.m.

Local Cuisine

If at all possible, one should take a local friend the first few times dining in local eateries. Observing the etiquette of eating out and mastering the art of using chopsticks is better undertaken with a local.

When dining out, one should not order such dishes as chow mein, chop suey or fortune cookies because they are not known in the PRC. They were Western inventions. If the art of eating with chopsticks cannot be mastered, one might want to bring his/her own fork to a restaurant, because it is unlikely that a fork will be found.

Security

China's crime rate against foreigners is generally low, although visitors should be wary of pickpockets in crowded, public areas. A lost or stolen passport should be reported immediately to the home country's embassy or consulate. Obtaining a new passport and Chinese exit visa usually takes at least five working days, if the assignee is registered at the home Embassy. Chinese authorities require that travelers have valid visas to exit China as well as to travel and register in hotels within China.

Chinese authorities have been known to seize documents, letters and literature which they deem to be political in nature, pornographic or intended for religious proselytism (conversion). This includes magazines with photographs (including some advertisements common in Western countries), which may be regarded as being sexually explicit, and religious materials in great quantity. Books, compact discs, films, records and tapes may be seized by Chinese Customs to determine if they are in violation of Chinese prohibitions. Be aware that penalties for crimes committed in China can be more severe than those in your home country.

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